

JPRS-EER-89-085

28 JULY 1989



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

East Europe

East Europe

JPRS-EER-89-085

CONTENTS

28 JULY 1989

POLITICAL

CZECHOSLOVAKIA

- CPCZ Official Discusses Upcoming Annual Party Meetings [RUDE PRAVO 24 Apr] 1
Cooperation of Czech, Polish Dissidents Discussed [TRIBUNA 26 Apr] 3

GERMAN DEMOCRATIC REPUBLIC

- Human Rights Practices, Provisions Detailed [EINHEIT May] 4
Socialist Definition of Human Rights Discussed [EINHEIT May] 8
EINHEIT Summaries of Selected Articles in May Issue [EINHEIT May] 12

HUNGARY

- Questions Remain After Review of Nagy Trial Papers [MAGYARORSZAG 9 Jun] 13
MSZMP Real Estate Income Deemed Unethical [NEPSZAVA 10 Jun] 16
'Movement for a Democratic Hungary' Proclamation [NEPSZABADSAG 8 Jun] 18
Opinion Poll Reflects Dim View of MSZMP [HETI VILAGGAZDASAG 17 Jun] 18
Western Diplomatic Communications of 1956 Published [NEPSZABADSAG 9 Jun] 19
Supreme Court Upholds Sentences of Policemen [NEPSZAVA 31 May] 19
Barracks, Party Buildings Converted for Public Use [NEPSZABADSAG 31 May] 20
Mongolian Student Seeks Political Asylum [NEPSZAVA 31 May] 20
Old Name of Lenin City May Be Restored [NEPSZABADSAG 1 Jun] 21

ECONOMIC

CZECHOSLOVAKIA

- Problems of 'Restructuring' Society, Economy Discussed [TRIBUNA 26 Apr] 22

GERMAN DEMOCRATIC REPUBLIC

- Regional Distribution of Productive Forces Studied [WIRTSCHAFTSWISSENSCHAFT May] 25
Lignite Gasification, Storage Procedures Detailed [PRESSE INFORMATIONEN 9 Jun] 33

HUNGARY

- Medgyessy Laments Worsening Economic Situation [FIGYELO 8 Jun] 35
Old Italian Insurance Firm Returns [HETI VILAGGAZDASAG 3 Jun] 37

POLAND

- Soviet Official on Continued Trade, Economic Cooperation [RYNKI ZAGRANICZNE 3 Jun] 37
Changes, Growth in Czech Trade Examined [RYNKI ZAGRANICZNE 3 Jun] 39
Slowdown Observed in Bulgarian Economic Ventures [RYNKI ZAGRANICZNE 8 Jun] 40

CZECHOSLOVAKIA

CPCZ Official Discusses Upcoming Annual Party Meetings

24000136b Prague RUDE PRAVO in Czech
24 Apr 89 pp 1-2

[Interview with Vladimir Patek, chief of political-organizational CPCZ department by Michal Podzimek: "Realistically, Critically, Openly"; date and place not given; first paragraph is RUDE PRAVO introduction]

[Text] Informal meetings with all members and candidates of the CPCZ are now taking place within the party. They are an important part of the preparations for the annual deliberations of Communists in advance of the 18th Congress. We discussed questions related to the annual meetings with the head of the political-organizational committee of the CC CPCZ, Comrade Vladimir Patek.

[RUDE PRAVO] What will be the main subject of the substantive preparations for the annual deliberations of the basic organizations of the CPCZ and Party conferences?

[V. Patek] The fundamental tasks are contained in the resolution of the CC CPCZ of 9 December 1988 on annual membership meetings of the basic organizations of the party, its plenary sessions and party conferences.

The preparation has to be rooted in a self-critical evaluation of the results of the work done so far. We have to assess the share of party committees, organizations and individual communists in implementing the guidelines of the 17th Party Congress, in fulfilling the objectives of restructuring and democratizing society as stipulated by consecutive sessions of the CC CPCZ. It has to be analyzed, to what extent the level and effectiveness of political work responds to new requirements and what are the capabilities of the party committees, organizations and individual Communists to solve the urgent questions of work places and jobs. Communists have to be intermediaries in applying political influence in order to increase responsibility and results in the work of industrial organizations, national committees, and social organizations. The policy of openness and of more profound socialist democracy has to be stressed. Of course, all that could not be achieved without a universal development of intraparty life, discipline, activity and initiative on the part of all communists.

What also matters in preparing annual party deliberations is the need to elaborate basic tasks of party organizations prior to the 18th CPCZ Congress, with emphasis on mobilizing all forces toward the fulfilment of the 8th 5-Year Plan and putting into effect as of 1 January 1990 the new economic mechanism. Toward that end, basic organizations and party offices will develop new forms and methods of work as adopted by the 9th session of the party's Central Committee.

The necessary changes in party work are directly related to the creation of a favorable societal atmosphere that would

encourage participation of the people in realization of party policy. This calls for overcoming, with greater determination, the spirit of reserve, solving of key issues with the participation of people, consulting with them, more generalization, and making use of people's experiences and suggestions. An important role will be played by the linkage of high level officials, of the entire active party apparatus, with the work and civic collectives.

We also wish to implement consistently the resolution of the Central Committee for development of informal participation by all institutions and organizations affiliated with the National Front to secure the party line.

[RUDE PRAVO] Informal discussions with all members and candidates are part of the present preparations of the annual membership meetings of basic organizations. What is their main objective, in what form do they take place and what are the first impressions from their proceedings?

[V. Patek] The informal meetings are an important source of knowledge, suggestions and recommendations for the preparation of the agenda of those meetings. Their main purpose is to activate every communist, to assess his level of engagement and to get all basic organizations and communists into motion to master the tasks of restructuring and democratization of the society. Informal discussions ought to be a realistic, critical conversation with every member and candidate about their work, life and problems. But they should also make communists give accounting for their recent activity and for the accomplishment of tasks with which they were entrusted. Apart from evaluating members and candidates, it is also intended to get an idea about their views on the work of the Committee, of the organization and on the policy of the party as a whole. Informal discussions should be also used for cadre preparations of the annual membership meetings. It is of the essence that the results of the informal discussions and the specific measures and concrete tasks of communists be prominently projected in the reports and conclusions of the annual membership meetings.

In smaller basic organizations, informal discussions are being staged by the committee; in large ones, they may take place in party groups with the participation of committee members. Impressions gathered so far from informal meetings point to varied levels. Some basic organizations prepared them well and understood their purpose correctly. Informal discussions are not devoid of self-critical judgment by members and candidates of their work, nor is the evaluation of work assignments and the imposition of concrete tasks being omitted. But in some organizations, there is evidence of lack of consistency and of formalism. Instead of assessing realistically the work of communists, they engage in general criticism of difficulties and shortcomings, frequently those outside the frame of reference of the basic organization.

The right approach is that of district committees which start by staging informal discussions with committees of

basic organizations, evaluate the performance of their chairpersons and take a stand on the level of work of the entire basic organization; by their suggestions they help to clarify the main problems and the main tasks. It is the duty of the district committees to apply demanding standards to the evaluation of the proceedings of informal discussions, to watch over their high level and to provide remedies, should they fail to serve their purpose.

[RUDE PRAVO] Evidently, informal discussions are one of the steps toward activating those party members who do not meet their fundamental obligations without acceptable justification.

[V. Patek] Certainly. Every member and candidate must clarify for himself his attitude to party policy. We cannot just accept a formal request to join, what is called for is action on their part. Informal discussions offer an opportunity for an open and critical conversation with those who do not perform the assigned tasks and are passive. This does mean a party purge, of course, but serves to remind such party members firmly of their obligations, to assign to them concrete tasks and to offer them a chance to prove by their performance their attitude toward the party and the basic organization. It will then behoove the membership meetings, following the 18th Congress, to return to the tasks and measures arising from informal discussions and annual membership meetings, to evaluate them, to pass judgment on whether hitherto passive communists have understood what the party requires of them, if they have, so to speak, woken up and started moving. As to those who would not modify their approach to party duties, it will be better to think more seriously about taking appropriate steps against them. [RUDE PRAVO] The cadre preparations of the annual meetings are under way. Who should have priority when it comes to selections and proposals for the new committees of basic organizations and other offices of the CPCZ? How should the selection be carried out?

[V. Patek] The selection of candidates for the committees of basic organizations and higher party offices must be considerably broader than it has been in the past. It is necessary to choose such party members who command natural authority in party and work collectives, who achieve exemplary results, possess the required moral and character qualities, are capable of implementing and explaining the party policy and winning for it other working people and citizens. Attention has to be paid to the social and age structure of the membership base and to the representation of women. It is important to preserve a continuity in the composition and thus in the work of party committees, which means that with the advent of more young people one must not forget to avail oneself of the wealth of practical and lived experience of the older comrades.

All party members should participate in the selection of candidates, particularly party groups and sectional organizations where communists know each other best. The suitability of proposals should be collectively discussed

in such bodies while taking also into consideration the views of the work and civic collectives.

[RUDE PRAVO] The principles of elections for party organization and its officials, as approved by the Presidium of the CC CPCZ, emphasize some new requirements—a secret ballot, a greater number of proposed candidates, limitations on the length of tenure. What is their objective and how should these requirements be reacted to?

[V. Patek] The principles adopted by the Presidium of the CC CPCZ for elections to party organizations and of the appropriate officials at annual meetings and party conferences express the need for further development of inner-party democracy. The essence is a responsible selection of cadres from a larger number of proposed candidates and their correct placement. That requires communists to express themselves more openly, in view of the new spirit and new conditions, and to set higher standards in the selection of suitable candidates; they should also understand that a secret vote for multiple candidates is not a purpose in itself, but rather a culmination of the whole process of choosing and approving proposed office holders.

One has also to grasp properly the requirement of a limited tenure of elected party officials. This should abolish a stability of cadres which might lead to self-complacency, rigidity, weakening of the collective of work, overlooking of deficiencies and their inconsistent solution. That calls for proposing for party offices—aside of experienced comrades—a greater number of young prospective cadres who are often under-represented. The CC CPCZ took a stand on the question of the proper length of office tenure at its 13th meeting in the report of comrade Jakes, who stated that this principle applies in the first place to lead secretaries, ranging from district party committees up to the central offices. At elections of other members of party offices up to committees of party organizations, including their chairmen, a sound alteration in composition should also be observed, according to specific conditions. In such matters the approach has to be prudent and sensitive.

[RUDE PRAVO] Annual membership meetings, plenary meetings and party conferences may propose candidates for higher level party offices. Could you elaborate on the sense of that recommendation?

[V. Patek] That, too is in accordance with the growing democratization of cadre work. Consequently, both the party organizations and party officials may propose candidates for offices at higher levels from their own ranks. However, these higher levels are still under the obligation to review the candidates with the basic organization to which the proposed person belongs. The broad membership base is thus brought into the selection process and the coresponsibility of basic organizations for submitted proposals is increased.

In practice, it means that an annual membership meeting may, for instance, propose candidates even for okres,

kraj or central organization. Such proposals are assessed by the district committee which will decide on whether to use them in the preparation of the district conference or to recommend them to higher party organizations. Party conferences and congresses have the final word on entering the proposed names on the list of candidates and on their election.

[RUDE PRAVO] What help do the CC CPCZ and lower party organizations give in the preparation of yearly deliberations of basic organizations?

[V. Patek] The Central Committee organized country-wide seminars of kraj and okres lead officials; much attention was given to proceedings in the preparation of annual membership meetings and conferences with regard to their agenda, cadre matters and organization. The same applies to consultations of lead secretaries and secretaries for political-organizational work at the kraj committees of the party.

CC CPCZ lead officials participate in the gatherings and debates of the kraj and okres committees which have on their agenda the preparation of annual deliberations.

We have already sent into all krajs permanent working groups comprising members of the staff of the CC CPCZ, CC CPCZ and of the committee for party work in the CSR (Czech Socialist Republic); they will be active there until the time of the kraj conferences. Members and candidates of the CC CPCZ, of the CCAC CPCZ (Central Control and Audit Commission of the CPCZ), the staff and activists of the Central Committee of the Party are being and will be delegated to selected basic organizations in cooperation with lower party organizations.

Very important and inspirational for the preparation of the agenda of annual deliberations is also the Declaration of the Presidium of the CC CPCZ on the 41st anniversary of Victorious February and the report presented by comrade Jakes at the 13th session of the CC CPCZ. Various propaganda materials are being and will be published to clarify questions pertaining both to intraparty life and to the development of the whole society.

The Presidium and the Secretariat of the CC CPCZ do of course regularly evaluate—and will continue to do so—the preparations and proceedings of party deliberations in order to create conditions for their success, which is Party of Czechoslovakia.

As you can see, we wish to extend the broadest possible assistance. But the key importance belongs to the activities in basic organizations and lower party bodies.

[RUDE PRAVO] Thank you for the interview.

Cooperation of Czech, Polish Dissidents Discussed

24000136a Prague TRIBUNA in Czech
Apr 25 89 pp 8-9

[Article by Rudolf Janik: "Birds of a Feather Flock Together"]

[Text] Reader M.S. from Brno, referring to the activities of the dissident, so-called East European Information Agency which allegedly circulates "independent information" from socialist countries, asked us about "international cooperation" of the so-called independent groups in those countries.

Such collaboration exists particularly among Czechoslovak and Polish dissidents, due to the affinity of their thinking. Their contacts began back in 1978. At the end of 1981, certain "Chartists" decided to support political opposition in Poland.

They sided with the reactionary elements in Solidarity. Jacek Kuron, Zbigniew Bujak, and Zbigniew Romaszewski became models to Jaroslav Sabata, Jiri Ruml and Vaclav Havel. They are the very same people who in 1976, after the Poznan events, were viewed by the Polish media as militant organizers of antistate actions and pressure movements.

At that time antisocialist structures of the KOR type (Committee for the Defense of Workers) came into existence and attempted to reverse the overall situation in the People's Republic of Poland (PRP) and reintroduce the conditions of Beck's Poland. During the familiar events of 1980, Kuron, Michnik and others assumed functions of "advisors" in the "independent trade union Solidarity, directing its activity against the socialist order. They demanded resignation of the Polish government, liquidation of the PSDS, return of public ownership to private hands and withdrawal of the country from the Warsaw Pact. They were systematically engendering attitudes which would "set Poland fifty years back" (W. Jaruzelski, TRYBUNA LUDU 8 October 1982). They have, therefore, gladly accepted the show of support of some of our "Chartists."

The Polish-Czech Solidarity, the goal of which was the transfer of antisocialist moods from Poland to our country was formed in 1981. Activists of this group began to revive the idea of the so-called Polish-Czechoslovak confederation, officially initiated in 1942 in London as an expression of the Czech and Polish bourgeois nationalism aiming to create in Central Europe a strong configuration unequivocally oriented against the Soviet Union and Communism. With some modifications, such ideas appeared in the demands of the counterrevolutionary elements in 1968 in our country as well, in the form of a program to establish autonomous Silesia.

Due to "better" conditions in the field of publishing, materials attacking the social system in Czechoslovakia were often prepared in Polish Wroclaw for the Czech branch of the above-mentioned group. By 1987, the

activists of the Polish-Czech Solidarity had met several times. One of the important meetings took place in 1984. The result of the coordination efforts at the time was an increased endeavor by the Czech activists to introduce in the program of the "Charter" militant attitudes used, for instance, by the Polish groups Freedom and Peace, the Committee for Independent Enlightenment, the Robotnik (both group and magazine), the Polish Helsinki Committee, etc. Experiences from conspiratorial working methods of illegal structures were also to be exploited. The relationship of Czech and Polish activists was intensified as well by the agreement on cooperation concluded in 1986 by the Council of Free Czechoslovakia with the so-called Polish government (in exile) with headquarters in London. The same year also established the Jiri Lederer Prize (an active member of antisocialist forces in 1968 who later emigrated) with the intention to "encourage" the activities of the above-mentioned group. The prize is awarded every year, alternating between citizens of the CSSR and the PPR, by the Polish revue ZESZYTY LITERACKIE and the Paris based emigre publication SVEDECTVI by Tigrid. In 1987 for instance, the prize endowed with 5,000 French francs was awarded to the "Chartist" Petr Pospichal.

Aiming to extend the group's activity to Slovakia as well, some of the "Chartists" created a Circle of Friends of the Polish-Czechoslovak Solidarity. Among the signatories of the Circle's declaration were also several Slovak dissidents—Jan Carnogursky, Miklos Duray, Miroslav Kusy, and Milan Simecka. The Circle was focused on "exchange of information, experiences and independent cultural work as well as coordination of various international activities." (CESKE SLOVO, No 7-8, 1987).

The signatories of the joint declarations of activists of "independent" movements and initiatives in Poland and Czechoslovakia met at the Czechoslovak-Polish border on July 9, 1987. They clearly formulated the demand for "removal of the system" that allegedly leads to "continuous squandering of natural resources and of results of human work." Further they came to the conclusion that "there is an increased possibility that the present regime will be replaced by an economically and socially well functioning, democratic system." This means only one thing in the concept of people who have completely dissociated themselves from socialism, both politically and ideologically, (if they ever identified themselves with it)—i.e. an effort to return to the bourgeois order.

In the same sense, the Circle is also striving to establish "fundamental human rights, both individual and collective," the "right of the state to sovereignty; free development of national and religious life; free existence and functioning of societal organizations; freedom of expression and enterprise; the right to choose the economic mechanism."

Thus a small group of people, under the guise of democratic phraseology, makes antisocialist demands without taking into consideration the opinions of the overwhelming majority of working people. In the essence, these are

the same demands that have already been made even before the formation of the "Charter" and the Polish "independent" structures in numerous theories of a "democratic" or "national" socialism.

The effort of both parts of the Circle of Friends to act jointly then is not exhausted only by the sole declaration of mutual support. The Czechoslovak activists can also expect some help from abroad. For instance the anti-Czechoslovak organization Opus Bonum based in the FRG and led by Abbot A. Opasek since 1982, organizes meetings of antisocialist oriented Czech and Polish activists. (In 1985 it published in Munich the publication "Ethics of Solidarity" by J. Tischner, destined primarily for Czechoslovakia.) In 1986, it produced a publication by A. Mestan, with the title "Czechoslovak-Polish Relations Yesterday, Today and Tomorrow" in which was presented at a meeting of antisocialist "independent" groups from both countries, also organized under the patronage of Opus Bonum. The collaboration of these forces is a telling testimony of everything that has been professed by anti-communist strategists (such as Z. Brzezinski) when they analyzed why individual attempts of contrarevolutionary reversal efforts in socialist countries were defeated, particularly in 1968 in Czechoslovakia. Socialism may be, if not overthrown, then at least seriously weakened only if a synchronized crisis could be instigated in several socialist countries at the same time. Collaboration of Czechoslovak and Polish "independent" groups could help to realize such a goal. The Circle of Polish-Czechoslovak Solidarity is nothing else but one of the instruments of anticommunism and international reactionary forces. Its activity is aimed at liquidation of socialism, abuse of restructuring and democratization and a creation of conditions for realization of the slogan "Europe without communists."

GERMAN DEMOCRATIC REPUBLIC

Human Rights Practices, Provisions Detailed

23000178c East Berlin EINHEIT in German
Vol 44, No 5, May 89 (signed to press 10 Apr 89) pp
407-412

[Article by Prof Dr Klaus Heuer, member of the SED (Socialist Unity Party of Germany—GDR) CC's (Central Committee) political staff, and Prof Dr Gerhard Riege, of the department of political science and jurisprudence at the Friedrich Schiller University in Jena: "Human Rights and the Implementation of Human Rights in the GDR"]

[Text] It is difficult to say how old the subject of human rights is in the sense of the expectations and demands of progressive forces for possibilities of a humanistic shaping of life and self-realization of the personality. Early milestones were set by the representatives of the French Enlightenment, and the great revolution of the French still has an effect to this day, also because the National Assembly, on 26 August 1789 in the turmoil of Paris, with the Declaration of Human and Civil Rights gave the form of

legal provisions to essential anti-feudal, bourgeois-democratic postulates. Much has been contributed to this subject by past political and economic, social and intellectual battles. And it will not have reached its conclusion as long as human progress has not led to societal conditions in which, worldwide, the mass threat to human life, exploitation and oppression, degradation and debasement, wretchedness and misery have been overcome.

At present—actually for years, but today with greater vehemence—a sharp ideological dispute about human rights is taking place. Marxist-Leninist and bourgeois-imperialist concepts of human rights are colliding. As much as areas of common interests and fruitful cooperation between socialist and capitalist countries are opening up—in the interest of the right to life, these roads must be found and purposefully traveled, yet the basic concepts of human rights remain as far apart as ever. Socialism, with its implemented rights to work, to co-determination, education, and so on, has confronted bourgeois ideology and practice with the alternative in the reality of society. Imperialism responds with increasing attacks against alleged human rights violations in socialist countries. It attempts to create the impression that in imperialist countries—of all things, in imperialist countries!, the concern is for the individual and his free development, while in socialism only “the class,” [and] “the collective” are valued. Such a claim, that in socialism only the class and not the individual counts, that only collective rights and not individual rights are important, completely misses the essence of socialist understanding of human rights. First of all, the class concern of the working class consists in the very fact of creating the prerequisites so that each one can lead a life worthy of human beings and can develop his personality in all directions. Guaranteed socioeconomic and cultural rights—disparaged by bourgeois ideologues as collective rights—are an essential condition for that. Secondly, these latter rights are designed in our Constitution as subjective rights, i.e., every citizen can exercise them individually and can assert claims on their basis.

Because the class concern of the proletariat is a concern of humanity and the class right of the proletariat aims at implementation of the essential development conditions of all members of society,¹ the revolutionary workers' movement has always stood for human rights. In its declaration of loyalty to humaneness, self-determination and social liberation, sung worldwide and in every language, the implemented human right is determined as the goal of joint battles. The results of scientific analysis of the relationship of base and superstructure, of law and economy, the individual and society, the state and citizen have entered into the definition of such a goal, as have the multitude of social experiences, the generalization of interests and needs of laborers and other working people. The insight was of fundamental significance that the way to real equal rights for all is not primarily through development of legislation, but through changing the balance of power in economy and politics.

The working class learned early on that the battle for human rights must above all be a battle for humane societal conditions, for social and political conditions under which the individual can evolve his personality, and in which it is he, in community with others, who can act as sovereign.

This can be demonstrated by the path of our party. German Communists have always seen human rights in unity with economic and political power of the people. That was already the view upon which the resolution of the 1939 Berne conference of the KPD [Communist Party of Germany] was based, and the action program of the Bloc of Militant Democracy of 1944. In its proclamation of 11 June 1945, the KPD called for a parliamentary democratic republic “with all democratic rights and freedoms for the people.”² The SED entitled its first document of constitutional importance “The Basic Rights of the German People.”³ It argued that rights and freedoms for workers and all working people are real, and can be guaranteed, only if a balance of power exists in state and society in which the working people is the sovereign. Because the policy of our party from the beginning has aimed at liberating man from the social and other constraints stemming from capitalist production conditions, in the revolutionary restructuring of society it initially concentrated its strength on raising and implementing the claim to power and right of the working class and the working people as a whole.

Of Historically New Quality

Forty years after the founding of the GDR, the historically new quality of human rights and human rights implementation in our country has become verifiable for everyone. It is based on the freedom from exploitation, on the newly attained relationship between state and citizens, on the unity of economic and social policy. It manifests itself in over 40 basic rights of citizens contained in the Constitution, and additional subjective rights provided and guaranteed in our legal system. Characteristic of the real human rights situation in the GDR is above all the high priority which state and society place on the right to a life in peace. The human right to peace not only enlarges the scale of human rights by one position, but is also and above all a basis and integration right for all other human rights. It is based on the insight that modern destructive forces are able to extinguish all of mankind if the societal forces of aggression who use them are not held back. Every consideration and use of human rights is directly or indirectly related to that.

Also characteristic of the actual human rights situation in the GDR is the unity of economic, social, cultural, political, and personal rights of the citizens. In the human rights concept of the GDR there are no important or less important categories of human rights, no human and other rights in the meaning of the word which at best are program points for the lawmaker. Socialist society has as its objective the development of the personality. From this results the obligation of the

state to ensure the legal conditions which permit the individual to develop his individuality in the best manner possible. In this respect the personality concept of socialism is comprehensive, not portioned out. Hence human rights take into account education and culture, career and leisure time, marriage and family, youth and old age, health and sickness, the public and individuality, public and private sphere, right and duty, etc. Wherever binding validity is given only to political and personal basic and human rights, political—i.e. a partial—emancipation of man, is aspired to at best, as Karl Marx said.⁴ His total emancipation, however, must be based on self-determination in the socioeconomic area, must make corresponding human rights demands, and must comprehensively implement human rights.

The complexity of the concept of man's rights in socialist society is proof of the humaneness of socialism. Any on-sidedness, no matter in what direction, would limit individual development. The socially secure citizen, trained for work and society, would be poor in individuality without political and personal rights and freedoms and would be deprived of important subjective areas. He who has little regard for socioeconomic and cultural rights and freedoms, overlooks or ignores fundamental fields of self-determination and self-realization. The inviolability of housing is important, but what is it without the right to housing?

On the other hand we know that, under the conditions of socialism, political rights such as the right to codetermination in the factory in turn affect the actual implementation of socioeconomic rights. The pace and extent of translating scientific-technical progress into social progress directly "on-site" are also determined by how the trade union exercises its rights, how the factory collective agreement is set up and implemented. This explains why, in our state's understanding of human rights, the two great human rights conventions of 19 December 1966—the convention on economic, social and cultural rights and [the convention] on civil and political rights which, through identical statements, in addition are linked to the right to self-determination of peoples—are seen as equally important and equally obligating.

The truth about human rights in the GDR includes above all that they are not only being proclaimed, but implemented in life. According to Article 12 of the Bonn Basic Law, all citizens in the FRG supposedly have the right "to freely choose occupation, work place and training centers." However, according to the Federal Labor Office, in fact 25,000 to 58,000 adolescents annually leaving school there have been without a job training place since 1983. In our country, on the other hand, a young person not only has the constitutional right to be trained in an occupation (Article 25 of the Constitution), but also has the certainty after graduating from high school to obtain on-the-job training and subsequently a work place. Our state is obligated to ensure it. The promotion of women, particularly in occupational qualification, is not only on the statutes (Article 20 of the Constitution) but is also guaranteed by, among other

things, enabling all three-to-six-year-olds to attend kindergarten, if their parents so desire. Wherever the reality of civil rights depends on the material preconditions for their exercise—one need only think of the constitutionally stipulated rights to housing, recreation, care in case of sickness, old age, disability, and so on, these preconditions are created through joint action. What is decisive in the last analysis is the productivity of society and the economy, the work and performance of the citizens themselves. Socialist state power is called upon to organize and concentrate goals with its own means for the use of socially productive forces, and to use the results achieved in the general interest.

Constant Development and Enrichment

Speaking about human rights in the GDR means speaking about developments in this area, about achievements and further aspirations. Like socialism itself, human rights also are not static but to be seen only in the process of constant implementation and development. In the course of our republic's history, the rights and freedoms of citizens—dependent on economic development, the maturity of socialist democracy, and in general on the development of societal relations and with the goal of their further shaping—have undergone constant enrichment. That is reflected in the legislation concerning civil rights. The development stage attained in the 1970's is defined by the concept of the constitutional socialist state of the GDR.⁵ One must list here the codifications concerning the right to work, the legal codes concerning the rights and obligations of cooperative farmers, the citizen's personal property and his right to inheritance, which regulate the rights of the young generation and the right to education and continued training. The number of legal regulations concerning the right to codetermination and co-shaping in state and society is large—one has only to consider elections to parliamentary representations, forms of social legislation, codetermination in schools and factories. Extensive regulations serve the citizens' legal security, for instance in connection with court procedures and execution of a sentence. The right to petition and appeal and the regulation of state liability are directly relevant to human rights. Socialist legislation in the largest sense, including the regulations concerning the right to housing, health care, and other areas, deserves to be singled out. Any enumeration must perforce remain incomplete.

Furthermore, we never consider the GDR's human rights legislative program as concluded. New needs for regulations occur due to changing conditions and requisites. Time and again, reasons for new normative regulations are set by the understanding of socialist property as a societal condition, the necessary intensification of man's relation to it, new processes in the development of productive forces—one has only to think of its effect on the environment and people's way of life, and by the precept of leading the political system and socialist democracy to ever higher effectiveness. At present, the contours of a continuing legislative program in the judicial system can be seen.⁶ The past and present road

of legislation was not simply a logical and uncontroversial sequence of normative decisions, but the expression of society's venture into new territory, of searching for and testing suitable solutions to shape socialism according to GDR conditions, of gained experience, continuity and renewal. And it will remain so in future.

Because of the constant development and implementation of human rights, no hiatus in the legislative course was necessary when the GDR, after becoming a UN member, acceded to the human rights conventions. We embrace human rights as they were worked out and developed at the level of international law, particularly in the human rights concept of the United Nations. We support this concept and contribute with our own initiatives to enrich it. This is proved by proposals initiated or co-authored by the GDR in the life of the UN. Its practice in our country is carried out in the meaning of the agreements under international law. To the extent that there resulted suggestions or obligations to complete our own legal system, the necessary conclusions were drawn. This also holds true for the relationship of our country's laws to the content of other documents of international law concerning human rights.

The general assessment of the congruence of the GDR's internal legal system and international law does not exclude that, in individual questions, one or another aspect of GDR law underwent further development in order to attain agreement in details, also. That, for instance, was the case in introducing the full appellate court division in the GDR High Court, which guarantees every convicted person the right to appeal. Similar regulations apply to settling humanitarian problems of marriage between GDR citizens and foreigners, uniting families, and travel.

It is one of the maxims of GDR state policy to shape our own legal system and legal practice in accordance with obligations under international law which had been adopted or actively brought about by the GDR since its UN membership. Two points should not be overlooked in this. First of all: To only state agreement would not do justice to the actual situation. For there are broad areas, essential to every man, in which the norm and practice of the GDR clearly go beyond the standard set by international law. This is true not only for the complex of socioeconomic and cultural rights, although they are particularly eye-catching. Secondly: In the UN convention, human rights are almost completely formulated as the obligation of the state to guarantee the respective right in its area of authority, or to implement the prohibition. It is up to every state itself to make human rights under international law internally effective through its national legal system, and taking into consideration its societal conditions, its possibilities and traditions, security needs and value system. In this sense, in the final document of the Vienna CSCE follow-up conference it is confirmed by all participating states that they will "respect" the right of any other participating state "to determine its right, its laws and ordinances, its

practice and policy."⁷ International agreements or internationally agreed-upon documents, respectively, do not create a generally binding universal law, but always require their concrete implementation.

Rights and Obligations—An Inseparable Unity

A fully formed legislative system is a necessary condition for a well-functioning legal system, for legality and legal security. But it alone is not enough to ensure that those conditions and processes actually exist at which legislation is aiming. Legal norms are only minimally effective just because they have been passed and are in force. What is indispensable is the knowledge of the law by those to whom it is directed, and an attitude corresponding to its substance.

Hence, without a doubt, the legal guarantees of human rights play an important part. But no less significant is also the correct manner of working, oriented to the law, of every state authority, manager and staff member. Contradictions in the assessment of a matter between a citizen and an agency authorized to make decisions are quite possible, for various reasons. Petitions or legal instruments such as an appeal are common forms of raising and litigating such contradictions. The judicial reexamination of a large group of administrative decisions, which can be carried out as of 1 July of this year on the basis of the law of 14 December 1988, will help to implement legality and legal security even more effectively, and will further increase objectivity and uniformity in applying GDR law.

The rights of man in socialist society are specific means of development for the individual so that he can become effective in his personal, collective and societal relations. At the same time they characterize room for development to realize his interests. And since they are contained in legal precepts, i.e., provided by the state, they simultaneously correspond to the interests of state and society. Hence the exercise of human rights by members of society is the concern of state and society in socialism.

And one thing more: Development and guarantee of human rights depend largely on activity, on conscious, systematic, responsible action in society and economy, on the exercise of political and economic power. Man as the producer of his living conditions stands at the center of a socialist human rights concept.

This in no way puts into question the importance of the state for the implementation of human rights. On the contrary: All these rights are linked to it. Through it, they are formulated as internally binding legal rule; conditions are created under which human rights can be exercised by those who hold them, and abuse or violation, respectively, is reacted to in a proper manner. It misses reality completely, however, when bourgeois criticism imputes that human rights under socialism are based solely on state permission. As significant and indispensable as legal guarantees of human rights are, it is the very advantage of the socialist human rights system that in it, the complex of guarantees is seen and

implemented on a much broader scale. It also encompasses the political, economic, social and organizational guarantees. In our country, to mention only one example, socialist ownership of production means and the socialist planned economy based thereon are among the most important economic guarantees. They are the essential basis for guaranteeing the right to work for all citizens, and so that society can put at the disposal of its citizens the necessary financial and other means for exercising the basic rights.

The central statement of Article 1 of the Constitution, that the socialist state is the political organization of workers in cities and countryside, also holds true under the aspect that only that can be distributed via the state which has first been earned through labor. Hence the reality of rights is influenced by the duties of the individual in the societal and state system being affirmed and carried out. An awareness of rights that is not at the same time complemented by the awareness of duties in the last analysis does not work in the sense of rich and guaranteed human rights. In the practical shaping of state/citizens relations, in behavior norms within the labor collectives and in societal practice in general, the unity of right and duty must always be observed. This is in the interest of the individual as well as that of society. But even the individual who does not completely fulfill his obligations is not stripped of his legal rights. However, everywhere it should be a part of the normalcies of a living legal system and societal climate that duty is given the same weight as right.

These correlations do not exist independently of the political system and the degree of maturity of socialist democracy: Where it is part of the norm that decisions by state authorities and societal organizations are found and made in close information and work contact with citizens, an important step has already been taken in the sense of its implementation, i.e., not least of all in the interest of citizens' commitment, their responsible attitude toward right and duty.

Footnotes

1. See Hermann Klenner, "Marxismus und Menschenrechte" [Marxism and Human Rights], Akademie Publishing Company, East Berlin 1982, p 126.

2. "Dokumente und Materialien zur Geschichte der deutschen Arbeiterbewegung" [Documents and Materials on the History of the German Workers' Movement], Vol III 1, Dietz Publishing Company, East Berlin 1959, p 18.

3. See "Dokumente der Sozialistischen Einheitspartei Deutschlands" [Documents of the Socialist Unity Party of Germany], Vol 1, Dietz Publishing Company, East Berlin 1948, p 85ff.

4. See Karl Marx, "Zur Judenfrage" [On the Jewish Question], Works, Vol 1, Dietz Publishing Company, East Berlin 1956, p 347ff.

5. See "Aus dem Bericht an die 6. Tagung des ZK der SED" [From the Report to the 6th Meeting of the SED CC], reporter: Comrade Kurt Hager, Dietz Publishing Company, East Berlin 1988, p 66.

6. See Siegfried Wittenbeck, "Zur Entwicklung unserer sozialistischen Rechtsordnung" [On the Development of Our Socialist Legal System], EINHEIT, No 3, 1989, p 216ff.

7. "Aus dem Abschliessenden Dokument des Wiener Treffens" [From the Final Document of the Vienna Meeting], NEUES DEUTSCHLAND, 21/22 January 1989, p 5.

Socialist Definition of Human Rights Discussed 23000178b East Berlin EINHEIT in German Vol 44 No 5, May 89 (signed to press 10 April 89) pp 401-406

[Article by Prof Dr Wolfgang Eichhorn, head of the Department of Historical Materialism at the Central Institute for Philosophy of the GDR Academy of Sciences: "On the Value of Our Freedom"]

[Text] When Winston Churchill shortly after the end of World War II, in his infamous Fulton speech, sounded the call for the crusade against socialism and the independence movement of the peoples, he referred to "the great principles of freedom and human rights" and painted on the wall the picture of the threat against the "free world." With this, the imperialist powers initiated the Cold War. Resounding cliches about liberty had to serve the purpose of disparaging social progress, the revolutionary movement and, above all, socialism. Freedom—said the West German ideologue Alexander von Ruestow as smartly and as hollowly at that time—is what the "Western world" has and what "they over there don't have." Thus and similarly sounded the music accompanying the policy of "roll back," of military threat, of nuclear blackmail.

This policy failed. But was the demagoguery of freedom thereby shelved in bourgeois ideology, was the imperialist abuse of the concept of freedom suspended? In the intellectual class conflicts of the present, the experience which has accompanied the revolutionary workers' movement from the beginning has been confirmed: One must get to the bottom of the postulates of freedom of thought and action, of people's rights to freedom; they must be questioned as to their historical meaning and social content. Freedom for whom? Freedom from what, and for what? That was, and is, the decisive question. For freedom historically and by class has concretely determined prerequisites and contents.

Merit and Limits of Bourgeois Concepts of Freedom

The 200th anniversary of the onset of the French revolution is soon approaching. Precisely by the proclamation of human reason, of liberty, and human rights it lastingly influenced the further historical development of

mankind. In fact, an enormous step forward, with continuing effect, was taken in societal insight and practice, the image of man, in legal and ethical-moral thinking. Here it no longer concerned sacred rights and freedoms of a minority of slave owners or feudal lords. Here the subject was freedom and rights of human beings *per se*, whether poor or rich: "Men are born free and equal in rights, and remain so," the Declaration of Human and Civil Rights of 26 August 1789 states.

However, these declarations contained many illusions, as was shown already by the experiences of class struggles during the French revolution, and even more so later on. In societal reality, the abstract-universal postulates of freedom and rights of the aspiring bourgeoisie proved to be the idealizing expression of profane socioeconomic interests based on the advancing capitalist way of production. At its core, it was a matter of shattering the restraining feudal ties and installing the condition of paid labor and capital, i. e., implementing capitalist exploitation. The abstract rights and liberties proclaimed in 1789 formulated only the outer, formal "political emancipation" of man, but not the requisites of "human emancipation" itself, as young [Karl] Marx wrote. In reality, its object was not yet real man with his interests, passions, needs, and endeavors arising from concrete social life, but rather "abstracted, artificial man."¹

The authors of the 1789 declarations of freedom were honest revolutionaries. They were filled with the awareness that their battle against feudal-aristocratic despotism and for the political emancipation of citizens was identical with the cause of human emancipation. That was their illusion, which was understandable in view of the societal conditions at the time and the not yet fully developed class antagonism between bourgeoisie and proletariat. Marx' criticism of the bourgeois concept of liberty was based on a more developed historical reality; into it entered the experiences, interests and aspirations of the working class springing up with capitalism. "Real man"—to stay with Marx' formulation—must eat, drink, be housed and clothed. To gain freedom meant to him primarily to fight for those conditions which enable him to attain, through his labor, the necessary means for an existence worthy of a human being, to have influence on shaping his societal and individual life. History teaches that the cause and understanding of freedom must be further advanced and deepened to the point of social liberation of the working masses from all conditions and forces which bring about exploitation, oppression, degradation, war and mutilation of man's personality, to the point of the rights of the people freed from exploitation.

Freedom simply is not a value standing above antagonistic class interests, but the real relationship of man with his environment and with himself, a relationship that always has a historically concrete character and is shaped by man himself. Freedom to us means the consciously executed dominion of man over nature, over the processes of his societal life, and over himself—a dominion based on insight into precepts, the human capacity to make knowledgeable decisions, which is

implemented in the creative activity of man and is borne by responsibility for the prospect of mankind. In order to be free, man requires the guaranteed right to work, to social security; he requires education, [and] the possibility of real collaboration in arranging public affairs. And above all he needs freedom from every kind of exploitation, hence a social order in which the growing productive forces of man are systematically developed and utilized to satisfy his material and cultural needs and to evolve his individuality and creative power. Political rights of freedom can attain real substance and guaranteed validity only to the extent that these economic and social rights are guaranteed for workers. In other words: The truth is, and also remains so here, that for the working people the materialization of freedom and right means class struggle for social progress.

To become consciously active in this regard—that is the main substance of human freedom. Only this concept marks the actual progress in the comprehension of freedom, for which the emancipating ideas of 1789 provided the starting point that must be continued.

On the Class Content of Freedom and Right

Our ideas of freedom are the conceptual expression and, simultaneously, the programmatic principle of the new epoch of world history initiated by the Great Socialist October Revolution of 1917. Indeed, the first declaration of human rights of the socialist revolution was based on this awareness of freedom, the "declaration of the rights of the working and exploited people," composed by Lenin in early 1918 and confirmed by the All-Russian Congress of Soviets. It determined the major task as the "abolition of all exploitation of man by man," the transferral of factories, plants, mines, means of transport, banks to the ownership of the worker and peasant state; the introduction of worker control and the universal duty to work; working for a democratic peace on the basis of free self-determination of nations; the execution of power exclusively by the working masses and their authorized representatives.²

Our party and the shaping of the developed socialist society in the GDR are also obligated to this concept of freedom. Our understanding of freedom is inseparably linked to what our party calls the meaning of socialism. As Comrade Erich Honecker emphasized recently, this [meaning] "becomes ever more evident—the welfare of the people through elimination of exploitation of man by man, the evolution of all talents and capabilities of men, their active cooperation in all issues of societal development."³ This freedom is living reality in our country—not in the sense of a completed condition, but of a process of higher societal and individual development, inexhaustible and penetrating ever more deeply into everyday life.

Socialism under the colors of the GDR knows no mass unemployment, no old and no new poverty, no social exclusion of a sector of the population able to work, no educational and no housing distress, no red-pencil policy

in the health system. Our socialist society, as traced out by the societal strategy of our party, will implement the unity of economic and social policy in the 1990's, also. It will further expand the system of social security and create ever better conditions in all facets of societal life for evolving human creative powers. For this purpose it will increase labor productivity, and develop productive forces at a high level and with great speed. Our basic concept for the expansion of societal and individual freedom is thus inseparably tied to the societal strategy of our party. Its implementation is a dialectical process in which every achievement, every progress simultaneously is always a starting point and condition for new, higher tasks of gaining freedom which must be mastered creatively. A striving for freedom which moves outside the framework of this actual development of societal and individual freedom or is even directed against it, misses the essence of the matter, at best. Awareness of freedom and thinking and action based on freedom deserve this name only if they aim at implementing, fulfilling, [and] further developing this basic concept of freedom. And this includes seeing problems that occur as a challenge to active and conscious action, to remove defects, and to open up new reserves through critical and constructive work.

Today, the social achievements of our socialist German state and the effective implementation of the economic, social [and] cultural rights of workers can no longer be denied even by our opponents. Now they claim that the political and personal rights to freedom are little valued here, or rated as rights of a lower order. In truth, our society concerns itself with the objective, guaranteed, daily exercise of individual rights of freedom, their societal guarantee, the creation of ever more comprehensive social and cultural prerequisites therefor.

The idea that one can contrast the economic and social rights of workers on the one hand, and political and personal rights of freedom on the other hand, and then weigh which are of a "higher or lower order," was invented by bourgeois ideologues. If their conservative representatives claim, for instance, that a guaranteed right to work is an attack on personal freedom, that obviously aims at securing the "freedom" of capitalist owners; for the personal freedom of workers in capitalist countries would not be infringed by such a right; on the contrary, it would give such a freedom foundation. The efforts of imperialist ideologues, with whatever justification, to imbue bourgeois rights of freedom with higher solemnity, to make them the criterion of "true" freedom and to impute to socialist countries contempt and disparagement for these very freedoms, is nothing but the attempt to ideologically cover up and justify the denial and infringement of fundamental socioeconomic human rights in the capitalist world. The demagoguery concealed behind all this becomes evident when one considers to what an extent even those political and personal freedoms are circumvented and infringed by the rulers in the United States and other capitalist countries, who keep proclaiming themselves as their conservers and protectors. It is they who have long relinquished and, time and again, eroded the

progressive substance of the rights to freedom proclaimed in the past by the bourgeois revolutionaries.⁴

It was Friedrich Engels who foresaw already in the seventies of the previous century the bourgeoisie's betrayal of its own progressive ideals and reasoned that, in this case, the workers' party would have to champion the guarantee of bourgeois rights to freedom! Because: "Without these freedoms, [the party] itself cannot move freely; in this battle it fights for its own chance to survive, for the air it needs to breathe."⁵ In this knowledge the revolutionary German workers' movement, the German Communists have always stood on the front lines when it was a matter of defending and implementing the democratic rights and freedoms of workers against attacks by imperialist reactionaries. At the same time, they have always been guided in their battle by [the knowledge] that political and personal rights and freedoms are a necessary, but not a sufficient condition for real freedom for workers and every individual, but rather that a multitude of additional rights are needed. That is the very matter at stake when in our country today, in our constitutional socialist state, we consistently defend and implement the idea of the unity of economic, social, cultural, political, and personal rights and freedoms. This unity is constitutionally provided and guaranteed in our governmental and legal system.

Freedom as Man's Positive Power

Ever since the birth of Marxism as the scientific ideology of the revolutionary workers' class, it has been accused by bourgeois ideologues of underestimating the subjective component of freedom since it proceeds from the objective determinism of human action. The opposite is the case. When Engels stressed that freedom "does not lie in the envisioned independence of natural laws, but in recognition of these laws, and in the possibility given thereby of making them work consistently for certain purposes," he also pointed to the extremely important subjective component of freedom.⁶ By man gaining insights into the precepts of nature, technical development, and history, and by understanding on this basis to undertake practical changes in the world which correspond to his purposes, intentions and needs, he implements his societal and thus, also, his individual freedom. The conscious activity of man, his thirst for knowledge, his will, his expert knowledge, his creative reasoning power, his self-determination, the awareness of his responsibility for the destiny and prospects of mankind, namely the subjective side, makes the possibility of freedom into reality. Only socialism with its concept of the unity of economic, social, cultural, political and civil rights and freedoms is able to evolve this component of freedom on a large scale and with great effectiveness.

But more than that is involved here. Socialist society needs the development of this subjective element of freedom. Its development progresses all the more successfully and dynamically, the more the conscious and creative cooperation of all working people evolves comprehensively; the more effective becomes the involvement of, for example, innovators, renewers and young researchers, the more

workers use their rich experience, their know-how and their education with great responsibility for peace and progress for the benefit of socialist society. Therein lies one of the strongest roots of the vitality and innovative ability of the socialist system. The further the shaping of developed socialist society progresses, the more it needs this impulse, and the more improved conditions must be developed for its effectiveness.

That is also a major reason why, with regard to individual freedom and the rights to freedom of the individual, we are consistent opponents of any cliché. In our concept of freedom, emphasis is placed on this very activity of man, on his subjective role, on his active self-determination, and on the societal prerequisites for their development. Even in their early writings, Marx and Engels opposed the simplistic idea that man is free because he can avoid or refrain from this or that. They countered it with the materialist position that the individual is free "through the positive power to advance his true individuality." Our concept of freedom always connects individual freedom with this idea of the positive power of man: The conscious use of the individual in an activity that is needed because it is socially useful, and which is also meaningful individually because it contributes to personality development. The individual in our society gains freedom as a positive power by participating with his own contribution in societal communication, in the exchange of opinions. Strong motivations necessary for attaining individual freedom, without which the development of needed individual knowledge and capabilities, will and know-how is unthinkable, arise from active participation in societal development. To understand individual freedom in this sense requires one's own action, creative, knowledgeable, critical, decisionmaking and risk-taking participation in society's reproduction process. It [individual freedom] is gained by working and is not just passively received from somewhere.

For this reason, we also attach importance to the implementation of freedom in the everyday way of working and living, and not only in peripheral areas of societal life, although they are also important for the diversified development of individuals. Therefore, practicing individual freedom cannot mean for us pursuing the dream of the individual's independence vis-a-vis the economic, political and cultural development of society, fleeing from responsibility for the destinies of mankind, or isolating oneself from the advancing forces of society. The mentality of the "quitter" fits less than ever into our time. And the privilege of fools, which was always a particularly degrading form of oppression, has never yet moved anything constructively.

Hence the development of individual freedom and observance of individual rights to freedom by citizens is not at all just a private matter with us. Rather, we are dealing with an indispensable element of the socialist way of work and life, with an important driving force of socialism.

To open up diverse possibilities and room for such a development and effectiveness of human freedom is a

great challenge to managerial activity. It means to keep in mind that the freedom of individuals is always formed and further developed in two connected and mutually interrelated processes: in the overall development of individuals, their qualification and education, their special talents and qualities of will power on the one hand, and in the social organization of individual forces into significant societal forces on the other hand. It is a matter of organizing collective relations and an atmosphere that make possible and challenge the creative behavior of working people, which ensure that the initiative and activity of the individual can flourish.

Good organization of work on all levels and consistent, goal-oriented cooperation within the framework of socialist democracy are necessary prerequisites for this, as is thorough information for workers on all tasks to be solved in the plant or the region. Bureaucratic behavior, petty patronizing of citizens obstructs their creative, voluntary cooperation, [and] blocks sources of societal as well as individual development.

The indispensable basis of individual attainment of freedom and striving for freedom is societal freedom—and will remain so—which was achieved through hard work in the development and growth of our republic. This achievement finds expression in our state's consistent policy of peace as well as in the economic and social policy focusing on the welfare of the people. It lives in the creative dispute of opinions over the best ways of scientific-technical, economic, social policy, and intellectual progress, in the constructive togetherness of the different classes and strata. That is the emancipating potential that we are preserving and further expanding. A striving for freedom that moves outside of this framework, or is even directed against it, is not acceptable for us. We do not permit our socialist power and ownership structures to be touched, the foundations of our freedom to be thereby eroded. It is part of our legal protection, ensured by the constitution and the socialist legal system, that in our country no actions are tolerated which, under the cover of freedom slogans, aim at gaining practical recognition for bourgeois ideas of society. That would be the way back to social insecurity and social injustice, would undermine the achieved real freedom of the working people. Our way and our goal lead forward, to the opening up of new sources of the progressive and humane development of our socialist society.

Footnotes

1. Karl Marx, "Zur Judenfrage" [On the Jewish Question], Works, Vol 1, Dietz Publishing Company, East Berlin 1956, p 370.

2. See V.I. Lenin, "Deklaration der Rechte des werktätigen und ausgebeuteten Volkes" [Declaration of Rights of the Working and Exploited People], Works, Vol 26], Dietz Publishing Company, East Berlin 1961, p 422 ff.

3. "Mit dem Blick auf den XII. Parteitag die Aufgaben der Gegenwart loesen, Aus dem Bericht des Politbueros an die 7. Tagung des ZK der SED" [To Solve the Tasks

of the Present with a View to the 12th Party Congress, From the Politburo Report to the 7th Meeting of SED (Socialist Unity Party of Germany-GDR) Central Committee], reporter: Comrade Erich Honecker, Dietz Publishing Company, East Berlin 1988, p 91.

4. Compare Werner Flach, "Menschenrechte in den Laendern des Kapitals—Anspruch und Wirklichkeit" [Human Rights in Capitalist Countries—Claim and Reality], in the present issue.

5. Friedrich Engels, "Die preussische Militaerfrage und die deutsche Arbeiterpartei" [The Prussian Military Question and the German Workers' Party], Works, Vol 16], Dietz Publishing Company, East Berlin 1962, p 77.

6. Friedrich Engels, "Herrn Eugen Duehrings Umwaelzung der Wissenschaft" [Mr. Eugen Duehring's Cataclysm of Science], Works, Vol 20, Dietz Publishing Company, East Berlin 1962, p 106.

7. Friedrich Engels and Karl Marx, "Die heilige Familie" [The Holy Family], Works, Vol 2], Dietz Publishing Company, East Berlin 1957, p 138.

EINHEIT Summaries of Selected Articles in May Issue

23000178a East Berlin EINHEIT in German
Vol 44 No 5, May 89 (signed to press 10 Apr 89) pp
386, 497

[Text]

On the Value of Our Freedom

[Summary of article by Prof Dr Wolfgang I. Eichhorn, head of the Department of Historical Materialism at the Central Institute for Philosophy of the GDR Academy of Sciences, full member of the GDR Academy of Sciences; pp 401-406; full translation of this article also published in this report]

In the present intellectual confrontations it is confirmed: The postulates of freedom and human rights must always be questioned as to their historical meaning and social content. Wherein consist the merit and limits of bourgeois concepts of freedom and human rights? How does our Marxist-Leninist concept differ from that under bourgeois colors? What demands are placed on society and the individual in order to develop freedom even more effectively as a positive power of the individual, as a driving force of our society?

Human Rights and the Implementation of Human Rights in the GDR

[Summary of article by Prof Dr Klaus Heuer, member of the SED (Socialist Unity Party of Germany-GDR) CC's (Central Committee) political staff, and Prof Dr Gerhard Riege, of the department of political science and jurisprudence at the Friedrich Schiller University in Jena; pp 407-412; full translation of this article also published in this report]

Communists have always embraced human rights, since the class concern of the proletariat is a concern of mankind. Guaranteed human rights in their unity of socioeconomic, cultural, political and personal rights in a historically new quality are part of everyday life in our country. A many-faceted legal system, in agreement with UN human rights conventions, and its constant shaping constitute the juridical guarantee for comprehensive implementation of human rights. Consequences deriving therefrom for the state planning practice and the unity of rights and obligations.

Political and Personal Basic Rights in Our Society

[Summary of article by Dr Angelika Schiffrers, lecturer at the Institute for Scientific Communism of the SED CC's GDR Academy of Social Sciences; pp 413-418]

The political and personal basic rights of citizens are of great significance in our country. Their constant further shaping corresponds to the humane nature of our socialist society, results from its dynamism. Personal basic rights protect the individual sphere of life, legitimize and promote the self-realization of the personality.

Human Rights in Capitalist Countries—Claim and Reality

[Summary of article by Werner Flach, principal department head at the Institute for GDR International Policy and Economy; pp 419-423]

Under the motto "liberty, equality, fraternity" the rising bourgeoisie in 1789 in France proclaimed human rights as constitutional principles. What has become of these noble intentions? How do imperialist countries comply with the 1948 General Proclamation of Human Rights? How do capitalist governments ensure civil, political, economic and cultural rights?

Requisites for Increasing Productive Accumulation

[Summary of article by Prof Dr Dr Helmut Koziolek, member of the SED CC, director of the SED CC's Central Institute for Socialist Business Management, chairman of the Council for Economic Research, member of the GDR Academy of Sciences, foreign member of the USSR Academy of Sciences, member of the EINHEIT editorial board; pp 424-430]

Consistent continuation of the unity of economic and social policy requires earning an increase in national income of about 4 percent. This raises questions such as: For what must the available accumulations means be used? Why has productive accumulation attained highest priority? Which factors affect power of accumulation? With regard to their growth, which sectors must be developed above all? How does growing self-responsibility of the combines promote the accumulation process?

Qualifying for the World Market through Top Performances

[Summary of article by Prof Dr Klaus Gebauer, lecturer at the SED CC's Central Institute for Socialist Business Management; pp 431-434]

Products and performances of the highest standard, which make possible high export proceeds on international markets, are of eminent importance for a structurally correct, high national income, approximately 50 percent of which is earned through foreign trade. What characterizes top performances qualifying for the world

market? How do combines—above all through use of key technologies—face the challenges of foreign markets?

Youth Brigades in the "Free German Youth Mobilization GDR 40"

[Summary of article by Dr Guenther Bohn, secretary of the FDJ Central Council; pp 435-439]

Based on experiences of the Zeitz meeting of youth brigades and analyzing results of an ABI [worker and peasant inspectorate] check, conclusions are drawn for further promoting youth brigades. How is the task implemented to conclude an annual brigade agreement with every youth brigade relative to the collective? How is it being ensured that every youth brigade has an accountable work task and its own area of work? Is the character of youth brigades preserved, also with regard to age?

To Discover, Develop and Promote Talent

[Summary of article by Prof Dr Gerlinde Mehlhorn, head of the Educational Sociology science field at the Department of Scientific Communism of the Karl Marx University in Leipzig, and Prof Dr Hans-Georg Mehlhorn, head of the Pedagogy/Psychology teaching and research area of the "Felix Mendelssohn Bartholdy" Institute for Music in Leipzig; pp 440-445]

The Marxist concept of giftedness is based on the premise that every mentally healthy child is also gifted, has prerequisites to cultivate specific strengths. How can these talents be even better recognized, developed and promoted? What potentials has the so-called average? The article informs about first experiences with a research project of the "Felix Mendelssohn Bartholdy" Institute for Music in Leipzig for developing artistic talents in selected kindergartens.

Genetic Engineering—Curse or Blessing?

[Summary of article by Prof Dr Erhard Geissler, head of the basis group Peace Research at the Central Institute for Molecular Biology of the GDR Academy of Sciences, and Prof Dr Reinhard Mocek, dean of the philosophy department of the Martin Luther University in Halle/Wittenberg; pp 446-453]

Even today there are noteworthy results proving the possibilities of genetic engineering for increasing productivity in the field of agriculture and with regard to fundamental improvements in medical and pharmacological areas of application. What is genetic engineering, and what are worldwide discussions on the pros and cons of its use about? Tasks and requisites to ensure genetic-engineering research serving exclusively humane goals and responsible application of its results.

The Lie about Threat—Its Fiasco and the Attempt at Its Reactivation

[Summary of article by Prof Dr Georg Grasnick, deputy director of the GDR Institute for International Policy and Economy; pp 454-459]

The legend of the "threat from the East," of communist "danger"—for more than 70 years the principal lie of imperialist policy of social revanchists—, is subject to inexorable erosion. The socialist peace and disarmament policy and the danger of a nuclear inferno make more and more people in the West realize whence emanates the real threat—from the armament and "deterrence" strategy of aggressive circles in NATO. How do socialist countries, through the unity of word and deed of their commitment to peace and jointly with the forces of peace everywhere in the world, counter the attempt to reactivate this lie of the century?

New Nazis in the FRG and in West Berlin

[Summary of article by Dr Norbert Madloch, lecturer at the Institute for Research of Imperialism of the SED CC's Academy for Social Sciences; pp 460-465]

Increasingly, organizations of new—and old—Nazis carry out their evil practices in the GDR and West Berlin. They have settled down in city councils, [and] now they signal entry into Land parliaments and the EC parliament. In what social, political and intellectual surroundings does the neo-Fascist evil spirit thrive over there, which factors enable the new Nazis to pull the wool over the eyes of voters with their nationalist and social-demagogic slogans? What political goals do these forces pursue, and what role does the Nazi potential play in the calculations of reactionary imperialistic circles? How do anti-Fascist forces respond to this new challenge?

HUNGARY

Questions Remain After Review of Nagy Trial Papers

25000321 Budapest *MAGYARORSZAG* in Hungarian
9 Jun 89 pp 18-19

[Interview with Sandor Nyiri, deputy chief prosecutor, by Istvan Gabor Benedek at the Supreme State Prosecutor's Office; date not given]

[Text] [*MAGYARORSZAG*] Mr Sandor Nyiri, you are a deputy chief prosecutor. You and your coworkers have been assigned the difficult task of reviewing the papers of the Nagy trial. How would you characterize the material of the criminal investigation, and how would the proceedings be classified today?

[Nyiri] It is not possible to classify at present the criminal investigation against Imre Nagy and his codefendants. The reason is that the papers were re-sorted several times, and very significantly, once the sentences became final. The last time this happened was in 1974, and I do not know on what criteria the re-sorting was based. It takes considerable time and effort to undo the re-sorting. We do not even know what papers were destroyed or what is still missing. But it is undeniable that the criminal investigation strove for the nearly complete gathering of the facts.

[*MAGYARORSZAG*] The criminal investigation, in other words, did not classify in advance, on the basis of a preconception?

[Nyiri] No. We have found even documents that had no bearing whatsoever on the case itself. For example, an

outline of a lecture that Imre Nagy had written in the Soviet Union, and a group photograph of Pal Maleter's graduating class at the Ludovika Military Academy were also seized.

What Happened Behind the Scenes Still a Mystery

[MAGYARORSZAG] Don't you think that the criminal investigators were playing it safe? They probably felt that it was best to seize and collect everything; and that later, when the [party leadership's] wish—in other words, the preconception—became known, it would be possible to rearrange the documents to support the charges.

[Nyiri] I, too, have been asking myself that question, and I simply do not know the answer. Here at the Chief State Prosecutor's Office, not a single sheet of in-house documents is to be found. The proceedings were secret, of course. That today, on the basis of the written and unwritten rules of my profession, I simply am unable to comprehend. The first release of the facts of the case in Hungary occurred the day after the sentences were carried out. There is no one from whom I could obtain information off the record. The one-time senior officials of the Chief State Prosecutor's Office who participated in this trial and the other ones have since died. That applies to Geza Szenasi, the chief prosecutor at the time, and to his deputy, Jozsef Szalai, who acted for the prosecution in this case. All I know is that countless people had been questioned during the criminal investigation, and not all their depositions were presented in court. Nevertheless, there were surprises in store for us, too. It is a historical fact that Maleter and Kopacsi were in Hungary after 4 November 1956. They had not gone to the the Yugoslav embassy and thus did not end up in Romania. Consequently, something had to have happened in their case here in Hungary. Not among the documents, but by searching the archives, we found a thin file whose perusal revealed that on 28 February 1957 the then chief prosecutor had filed an information with the Supreme Court against Pal Maleter and Sandor Kopacsi, charging them with military crimes. The Supreme Court immediately held a preliminary hearing, scheduled the trial for 8 March, ordered copies of the information to be delivered to the defendants, and even appointed defense attorneys for them. The next document in the file was dated 5 March 1957: the Supreme Court stayed the proceedings, without further action. That day, officials of the Interior Ministry took away the documents of the criminal investigation. The last memorandum, from August, established that Maleter and Kopacsi would be tried in another case. The instructions [for the office] noted on the memorandum were: "No action required. To be filed."

Curiosity Warranted

[MAGYARORSZAG] But where are the documents of the original case? Where could they possibly be?

[Nyiri] We have not found them yet. On 28 January 1958, however, Maleter and Kopacsi were already charged as codefendants in the information filed against Imre Nagy and his accomplices.

[MAGYARORSZAG] What could have happened behind the scenes?

[Nyiri] I do not know. Perhaps Bela Biszku could tell us more. He became interior minister on 1 March 1957. A comparison of the dates shows that our curiosity might be warranted. The information was filed on 28 February, and the papers were taken away on 5 March. In my opinion, it would be worth while to investigate this.

[MAGYARORSZAG] Did the papers in your possession conform to proper procedures?

[Nyiri] The review of the papers revealed that they overabound in procedural irregularities. Yet, from the viewpoint of legality, it is also very important whether a document has been entered in the register and assigned a file number, for then the document's trail can be traced. We would see whose desk had the document, and the irregularity could be apprehended.

[MAGYARORSZAG] Let us turn to something else. Do the papers of the criminal investigation reveal whether physical force was used against those who were taken into custody?

[Nyiri] I am unable to give you an unambiguous answer on the basis of the papers. The court proceedings were recorded on tape, and the tapes are available to us. How the defendants answered the charges, and also each defendant's opinion of the criminal investigation, can be played back from the tapes even today.

[MAGYARORSZAG] Your interviewer today tends to be suspicious. There was a public trial also in the Rajk case, at which the defendants themselves confessed their crimes and admitted their guilt. Because of this precedent, it has occurred to me that your statement could perhaps be disproved.

[Nyiri] You would see the basic difference if you were to read through the court records, which will eventually appear in book form, perhaps fairly soon. In our case, most of the defendants pleaded not guilty. Imre Nagy, Jozsef Szilagyi, Pal Maleter, and Miklos Gimnes definitely contested the charges. But allow me to note something else. One of the trial's serious shortcomings was that no attempt was made to verify whatever statements the defendants made in their defense.

[MAGYARORSZAG] Obviously, that was politically motivated.

[Nyiri] Yes, but not as a preconception. An analysis of the trial revealed that the politicians who were members of Imre Nagy's government between 23 October and 4 November 1956, were active in politics at that time and then, after 4 November, led the Hungarian Revolutionary Worker-Peasant Government and the MSZMP, had not made any depositions, had not even been questioned, did not testify or confront the defendants at the trial, etc.

Khrushchev and Tito

[MAGYARORSZAG] Janos Kadar, for instance, had not been questioned?

[Nyiri] No, nor had Antal Apro, Ferenc Munnich and others. Only Zoltan Vas had been questioned during the criminal investigation.

[MAGYARORSZAG] But he was in Romania together with Imre Nagy, although he was not tried as Nagy's codefendant.

[Nyiri] Yes, that is a significant difference. But at this stage I am only able to give you a critique of the proceedings at that time.

[MAGYARORSZAG] Was there any attempt by external or foreign political elements to interfere in the process of bringing charges? For example, did the Politburo discuss the trial and what the sentences would be?

[Nyiri] I am unable to offer any facts in substantiation. But in my opinion, considering the political culture and the practice of government in Hungary, it would have been simply impossible for the political leadership not to have been informed and not to have held an opinion about this case. Incidentally, the memoirs that are being published are bringing to light countless new facts and circumstances. Interesting from our point of view is also what we already know about the Brioni meeting. Yugoslavia's then ambassador in Moscow recalls that Khrushchev and Tito made their decisions without a single sheet of paper on the table before them, and no minutes were kept of that meeting. After the meeting, of course, everyone made notes of what had been discussed. The world will eventually get to read those notes. As a lawyer, I myself am curious about the documents that Gyula Horn has just brought back from Yugoslavia. But merely by reading the newspapers from that time, one is aware of how many people came visiting to Hungary. Zhou Enlai, Walter Ulbricht, Gheorghiu-Dej. Naturally, there were consultations with them.

[MAGYARORSZAG] It would be good to see those documents.

[Nyiri] I hope we will not have to wait long for them. But one must also be aware that their publication is a function of international relations. A significant proportion of the world's archives is secret, and the political interests are common knowledge.

Historians' Debate

[MAGYARORSZAG] Was any governmental or political pressure brought to bear on the Supreme State Prosecutor's Office in 1957-1958?

[Nyiri] That is not evident from the documents. As I have mentioned, the then chief prosecutor, and his first deputy who acted for the prosecution in this case, have since died. And other documents have not been uncovered so far. But I will mention just one example to illustrate how difficult

our situation is: in the 1958 register there is merely the notation: "Comrade Chief Prosecutor Geza Szenasi has requested a number for a file." But there have been political surprises as well. In December 1957, the MSZMP evaluated the period from 23 October through 4 November. That was an official evaluation. On the other hand, this year's No 4 issue of TARSADALMI SZEMLE presented for the first time a study by Erik Molnar, "National Democratic Uprising or Bourgeois Counterrevolution," which had remained unpublished up to now. We learn from its preface that the study was debated by a narrow circle of historians at the beginning of 1957. From this we may conclude that in December 1956 and early 1957 there was still debate on the political assessment of the events taking place in the period from 23 October through 4 November. I am only able to guess as to why this Marxist debate was suppressed. In any event, Erik Molnar's approach to assessing the events of those days differed from the subsequent official assessment's approach. Thus, other political considerations still applied when the criminal investigation was launched in April 1957. And the criminal laws that were in force were interpreted accordingly. Soon thereafter, however, a change occurred in interpretation. Law enforcement acquired a new, political foundation.

[MAGYARORSZAG] Perhaps we may conclude that, at the beginning of 1957, our socialist partners had not yet exerted pressure on the Kadar government, in their anxiety that leaving the events of October unpunished might cause complications for them as well. But the Kadar government, anything if not very realistic, subsequently yielded to such pressure. Politics in Hungary became harsher and more leftist. Those who lived the period through will remember this shift.

[Nyiri] Which today is as plain as the fact that you are interviewing me about it. But my task is to classify the documents, and to say that, for instance, the material presented to the Supreme State Prosecutor's Office indicates great care in conducting the criminal investigation (although this is merely a technical question). And this is not in conflict with my earlier comments. The documents were handled carefully more or less, the files did not fall apart and were kept together. This technical precision has its roots in the conditions that existed at the time of the monarchy.

[MAGYARORSZAG] Only the sorting of the material was arbitrary. The bureaucracy was negligent.

[Nyiri] That is a different aspect. The charges were divided into three parts: the period before 23 October 1956, the period from 23 October to 4 November, and the period after 4 November. That is how the material of the criminal investigation was arranged to support the charges. As to what shocked me the most? Today we consider talking politics as something natural. But now I read in the depositions made then that talking politics was regarded as organizing.

Despotism Never Again

[MAGYARORSZAG] Since the government, the police, the prosecutor's office and the court were all integral parts of the party, the sentences may be regarded unambiguously as politically motivated?

[Nyiri] Yes, bluntly speaking. Bela Biszku, the interior minister from the beginning of March 1957, was ex officio a member of the Politburo. That, of course, was a tradition. As interior minister, Laszlo Rajk was also a member of the Politburo. Janos Kadar was likewise a member of the Politburo, and so was Ferenc Munnich as minister of the armed forces. And whether we like it or not, that power structure has been retained up to now.

[MAGYARORSZAG] At Laszlo Rajk's funeral the Hungarian party—although then it was still called the Hungarian Workers Party—made a pledge also publicly that there never again would be despotism, nor mendacious and demeaning show trials and sentencing. And, pledge or no pledge, the catastrophe repeats itself only a few years later. In your opinion, how would it be possible to put an end to political murders and to death sentences in political cases, once and for all?

[Nyiri] At the next session of the National Assembly, the government will introduce a bill to abolish the death penalty for political crimes. The bill has already been drafted, and the National Assembly will very likely pass it. But only complete openness will be able to prevent the arbitrary interpretation of the laws and paragraphs that are in force, and the obscure grouping of facts.

[MAGYARORSZAG] As a deputy chief prosecutor, what is your opinion of the trial's review?

[Nyiri] For today's criminal lawyer, it is not enough to know the paragraphs of the Criminal Code and the Code of Criminal Procedure. Ability to think in terms of history and, indeed, of political history is also necessary. I think our work will be successful. If for no other reason, because we are working openly and are making public every discovered fact and connection. It is essential to review the case and to hold a retrial, because political rehabilitation alone might seem just as biased as the legality-violating show trial and preconceived guilty verdicts did.

Lesson for Future

[MAGYARORSZAG] My last question: Where were these documents?

[Nyiri] In the Ministry of the Interior. Actually, the documents were in the government's possession for the past 30 years, only the members of the government did not know about them. When the trials were over, the documents were stored in accordance with a policy decision adopted at that time, and they were never again mentioned. Of course, those who handled the documents knew where they were stored and had access to them. But others, shyly, did not even inquire about them. This, too, is a historical lesson for posterity, for those of us who

now have an opportunity to examine the trial documents. We are aware of our responsibility. Therefore we cannot make irresponsible statements before we have reviewed and evaluated the documents very thoroughly. Today Imre Nagy is already rehabilitated, here at home and in the world as well. That is a fact. But we want to do a thorough job. And I know that the nation aspiring to renewal expects of the Supreme State Prosecutor's Office a substantiated legal standpoint, and not a political declaration. A legal standpoint that will withstand the test of time and will serve as a lesson for the future.

Contrary to some rumors that are attempting to influence public opinion, the Supreme State Prosecutor's Office is working with intensified effort to clarify the situation in Imre Nagy's case. A favorable decision that will lead to rehabilitation can be expected to be made public within the next few days, before Imre Nagy's funeral.

MSZMP Real Estate Income Deemed Unethical

25000318d Budapest NEPSZAVA in Hungarian
10 Jun 89 p 7

[Article by Katalin Torok: "What Should Be Done With the MSZMP Buildings?"]

[Text] The building designated as No 17 Tompa street is a faded, but massive apartment building in the heart of Ferencváros. A sign to the left of the entrance says this: "MSZMP IX 6, 10 district party organizations." To the right of the entrance there is a new sign which indicates that the industrial, construction, and service specialized group of the Agreement Agricultural Cooperative of Tok offers photocopying services at the same place.

FIDESZ [Association of Democratic Youth], the Hungarian Democratic Front [MDF], and the Alliance of Free Democrats [SZDSZ] 9th district groups are protesting, and forwarded a news release to the National Press Service. In their view, the fact that the MSZMP 9th district organization has vacated its premises located at No 17 Tompa street indicates that the MSZMP has begun to make money out of real estate purchased with money received from the state and from the state budget. Since the Hungarian Workers Party [MDP] and the MSZMP alone have exercised exclusive power over the past 40 years, a large part of their assets were not derived from membership dues or out of revenues collected by party enterprises, but instead from state subsidies, and from the expropriation of public property. Accordingly, the MSZMP practice of transforming property thus acquired into liquid assets, and then using these assets for its own purposes must be stopped, according to the statement.

Details Are Unclear

Zsolt Emodi, a member of the 9th district group of FIDESZ:

"As far as I know, these party premises were transferred in part to a small cooperative. The circumstances are unclear, the essence of our statement pertains to the general trend represented here—No 17 Tompa street is only an example.

This matter is very timely because of the weakly organized proprietary conditions. But the SZDSZ was the initiator, I suggest that you also ask them."

Gabor Franko, member of the SZDSZ 9th district leadership:

"At issue are an auditorium capable of accommodating 200 persons and a smaller room. Several persons in our organization made an attempt to figure out the value of party assets in the district. Three months ago the land office sequestered data pertaining to the MSZMP, KISZ [Hungarian Communist Youth League], and the Workers Guard. Access to the sheets covering their real estate is restricted for those who present a certificate prepared by the owner authorizing such access."

Klara Csanyi, first secretary, 9th district MSZMP party committee:

"The FIDESZ, MDF, and SZDSZ protests include several statements which I am able to deny on a factual basis. First of all, we have not vacated our premises at No 17 Tompa street. The two party sections continue to hold their meetings on these premises the same way as the Red Cross area organization does. Also a philatelic circle operates here, and counsel presentations are also made on these premises. We yield our premises for these functions free of charge. Because of the nature of these functions they take place after working hours. Accordingly, these premises are unnecessarily vacant only before noon. We did not expropriate this property, we would not be able to do so. The right to manage this property rests with the CC [Central Committee]. We did indeed rent these premises to the Tok cooperative for the hours before noon, but we desperately need that money. Whether we are able to operate the district party committee building is an existential issue. We do not receive central funds for this purpose, at the same time, not enough membership dues can be collected. I should add here that the organizations which signed the statement did not seek us out in regard to any matter, accordingly we did not refuse to talk to them either."

Their Office Is Under Their Arms

Jeno Jaki is a member of the 9th district MDF leadership:

"It is a fundamental concern of ours that we are able to gather only in restaurants, espresso houses, and private apartments. Once a week we rent a room for a few hours from the PPF [Popular People's Front]. For this we pay only cost. On such occasions we walk over there with our office under our arms, then return home in the evening at 9. This is a temporary solution. According to the newly proposed party law, parties may rent out the facilities needed for their function, and may acquire income from such rentals. In my view this provision contradicts itself. After all, how could premises be let once they are needed for the operations of a party? On the other hand, only the MSZMP has facilities it can let."

Gabor Franko:

"The principle of our protest is that in our view everyone should share the party assets, because those assets were not acquired by the MSZMP exclusively from membership dues, but also from funds received from the state budget. I believe that it would be fair if this sharing would be implemented in part prior to the elections. How can we introduce ourselves to the electorate if we have no infrastructure?"

In the 14 May issue of VASARNAPI UJSAG Dr Gyula Farkas, a lead associate at the MSZMP CC business division, made this statement: "The party's assets—real estate and other property taken together—amount to 8.6 billion Hungarian forints. In addition to nationalization a long time ago, and in addition to membership dues received, state subsidies represent a value of 2.3 billion forints of the total amount."

The MSZMP Eger City Committee took this position in the 3 June issue of HEVES MEGYEI NEPUJSAG: "The MSZMP Eger City Committee deems the renting out of party premises constructed out of public funds unethical. The MSZMP received these buildings from society in order that the party could perform its functions. If, under the new circumstances, some of these buildings become superfluous, they should be offered for public purposes without compensation. In other words: They should be returned to the community."

(And the fact that in Eger they are taking this matter seriously may be seen from the fact that according to the statement the city party committee offered some of the facilities to the independent organizations.)

Klara Csanyi:

"Unethical? I disagree with that. Nothing was built in the 9th district for party purposes."

"New buildings are not the only ones at issue, because old buildings also represent large values, moreover, in some instances they represent more value than a house built a few years ago using bad technology. Otherwise I view it as an illusion that independent organizations are preparing themselves for free elections without so much as a desk."

It Is Not the MSZMP'S Task

"I agree with the fact that the new organizations also need infrastructure, but it is not the MSZMP's job to secure that infrastructure for the new organizations! Incidentally, we continue not to close our buildings to social and public affairs. Our premises were made available and continue to be available free of charge for purposes ranging from the physical education of handicapped children to teacher training. It is indeed true that we have rented several of our premises, because even at modest levels the operation and maintenance of the district party building constitutes a huge burden."

"Would you also rent these facilities to the independent organizations?"

Mrs Endre Suti, business manager of the 9th district party committee, had this to say:

"We cannot provide a long term lease, but perhaps we could rent the facilities on a case-by-case basis."

Klara Csanyi:

"Our conscience is clear, because representatives of the independent organizations have not sought information in this regard, while this would have been the only normal, passable way."

The 9th district independent organizations wrote a letter to the district council chairman requesting him to provide assistance so that they could operate under appropriate conditions. In the letter they named a few facilities rented by the council—facilities which have not been utilized for a long time. At least the neighbors do not recall when they last saw the door open.

No decision has been reached in this matter, after all they mailed their letter 2 weeks ago.

**'Movement for a Democratic Hungary'
Proclamation**

25000318b Budapest NEPSZABADSAG in Hungarian
8 Jun 89 p 5

[Text]

Proclamation by the Movement For a Democratic Hungary

The policies, the power, and the economic order of dictatorial socialism have become bankrupt. It is incapable of satisfying the interests and desires of people, and it is unable to claim an identity based on a satisfied society. The need calls for the formulation of a new societal model! The scattered character of evolutionary forces and the continuous deterioration of existential circumstances yield room for the activities of extremist groups. Various forces calling for order in the party, a bloody settlement, and revenge are threateningly present and may gain strength.

Our society must not surrender itself to the feeling of uncertainty, hopelessness, and fear, all of which serve to paralyze action.

In the interest of Hungary's future our movement unites people who jointly advocate the values of a national uplift, European progression, and democratic socialism, irrespective of their party affiliations or memberships in organizations. We expect to hear from those who reject the idea of standing still or of a reversal of developments, those who believe that a democratic Hungary must be established through democratic means, those who want to become active participants in making changes within their own environment, and those who support governmental and social endeavors for a peaceful and orderly transition.

One of the foundations of our national self-respect is the diligence of the Hungarian people, its willingness to sacrifice, and its talent. These features and attributes must be used and not abused, because further sacrifices may be demanded only by providing realistic chances for an honorable future. We proclaim and intend to serve unity and cooperation for the establishment of a new Hungary, meet for human beings. We do have a sense of responsibility for the fate of Hungarians beyond our borders.

We can find our place in the world only if we close ranks with Europe by having a democratic political system, a competitive economy which protects environmental and human values, a social policy which provides social security, a cultural reform based on the freedom of creation, and an educational system based on changed foundations.

In the interest of realizing the goals of our movement we are organizing local and national political forums, debates and action programs. We assist in conveying political information. We help each other, our members, and groups in making their endeavors in local and national public life prevail. We do not intend to become observers, but instead the sculptors of processes which define the life of our society. By operating in the public eye, we intend to contribute to the spread of a democratic political culture. We advocate national dialogue based on tolerance. We offer equal cooperation and support to all organizations for the fulfillment of our common goals.

The organizing committee of the movement: Imre Pozsgay, state minister; Ferenc Gazso, university professor; Jozsef Annus, editor; Mihaly Bihari, university professor; Endre Bilecz, editor; Lajos Bokros, managing director, Hungarian National Bank; Edit Rozsa, Mrs Bodo, National Assembly Representative; Lajos Devecz, plant director; Jozsef Geczi, university adjunct professor; Csaba Gombar, sociologist; Istvan Gyenes, county council chairman; Csaba Hamori, MSZMP [Hungarian Socialist Workers Party] county first secretary; Anras Hideg, business manager; Istvan Horvath, Minister of the Interior; Ferenc Kosa, movie director; Istvan Kukorelli, deputy dean, Lorand Eotvos University of Sciences; Tibor Nagy-Husszein, chairman of a cooperative; Imre Nagy, president, DEMISZ [Hungarian Democratic Youth Organization]; Sandor Rozsa, business manager; Jozsef Simon, political associate; Tibor Szechenyi, philosopher; Csaba Tabajdi, MSZMP CC [Central Committee] deputy division director; Mari Torocsik, actress; Dr Istvan Kiss, sociologist.

Opinion Poll Reflects Dim View of MSZMP

25000341a Budapest HETI VILAGGAZDASAG in Hungarian 17 Jun 89 p 9

[Text] After press time on Tuesday afternoon the so-called political mediation negotiations began in the Hunters'

Room of Parliament with the participation of the Opposition Roundtable, the MSZMP [Hungarian Socialist Workers Party], and several social organizations and movements. The purpose: to establish conditions for the transition from a single-party system to a representative democracy, by taking into consideration mutual interests and endeavors. Toward the end of May the Hungarian Public Opinion Research Institute surveyed 300 residents of Budapest, 200 from cities in the countryside, and 200 villagers. The following are some of the survey findings which are relevant to the ongoing negotiations.

An overwhelming majority of those questioned want the country's leadership to negotiate with the new political organizations and parties (86 percent in Budapest, 90 percent in Szeged, 89 percent at Gyor, and 83 percent in the villages surveyed). The majority would also like the negotiations to result in political decisions. This desire was expressed to an extent of 71 percent in Budapest, 74 percent in Szeged, 74 percent at Gyor, and 80 percent of the villagers in the Nyirseg region. Forty-nine percent of MSZMP members wanted to see the negotiations have a mediating character for the purpose of expressing interests, and that no decisions be made; only 20 percent of those questioned who were not members of the MSZMP wanted the same.

Despite the fact that a majority of the people have very little information about the Opposition Roundtable, citizens have a rather high degree of confidence in their work.

Responding to a request to grade on a scale of 1 to 5—not unlike in schools—whether the MSZMP and the Opposition Roundtable respectively represent the people's views, the MSZMP scored in every settlement below the medium grade, while in contrast the Opposition Roundtable received higher than medium grades. The average grade of the MSZMP in Budapest and in Szeged was 2.3, 2.2 at Gyor, and 2.5 in the Nyirseg villages. On the average, the Opposition Roundtable scored 3.3 in Budapest and in Szeged, 3.1 at Gyor, and again 3.3 in the villages.

MSZMP members gave the Opposition a grade of 2.8, while they graded their own party only at 2.7. Non-MSZMP members gave the Opposition Roundtable a 3.3 mark, and a 2.3 grade for the Communist Party.

Distribution of Responses Concerning the Purpose of the Negotiations (in percentages)

	Budapest	Szeged	Gyor	Nyirseg Villages
The MSZMP wants to rescue its power only	54	52	52	50
The opposition endeavors confrontation	7	6	11	8
Agree with both statements	16	9	22	10
Agree with neither statement	13	18	9	10
No response	10	15	6	22

Western Diplomatic Communications of 1956 Published

25000318a Budapest NEPSZABADSAG in Hungarian
9 Jun 89 p 4

[Text] Following the Marosan memoirs, which were published at a record-setting speed ("The Witnesses Are Still Alive"), readers were already able to obtain the newest volume in the Taboo Book series of the Newspaper Publishing Enterprise during book week. Its title is "Secret Reports, 23 October to 4 November 1956." This volume contains primarily the confidential reports filed by the British and American embassies in Budapest to their respective foreign ministries. These documents are supplemented by reports filed by the British and American embassies in Moscow, Belgrade, and Vienna. Approximately 120 documents are published for the first time in this volume. They recently became part of the public domain in England and in the United States, thus providing access to researchers. And although the material cannot be regarded as complete by far, it certainly will contribute details to the evolving historical picture of that era.

At a press conference held yesterday by Pal Szeles, the publisher's vice president, Ferenc Varnai, editor of the Taboo series, and Jeno Farago, editor of the upcoming volume, the publishing difficulties that surrounded the secret reports were discussed. It was said that unfortunately they were unable to incorporate the documents produced in 1956 by the embassies of neighboring countries. Other kinds of difficulties were experienced in the course of preparing the collection of documents soon to be published under the title "Mr Kadar." The editors intended to publish in this volume Western articles and statements which dealt with Janos Kadar's person, political activities, and related assessments. Only a few documents of this nature and documentation relative to the period following 4 November 1956 survived in Hungary's archives. They were not published then, nor later, which is understandable because in certain instances they contained unusually sharp criticism of the politician. It was said at the press conference that condemning judgments gradually lost severity during the 1960's, and after 1968 they became clearly positive. At that time there were many who expressed sincere recognition of Kadar's reform policies.

Supreme Court Upholds Sentences of Policemen

25000318c Budapest NEPSZAVA in Hungarian
31 May 89 p 12

[Text] On appeal, the Supreme Court Tuesday heard the case of Tiszafured policemen found in violation of the law. The judicial council of Judge Advocate Colonel Ede Raboczki approved and affirmed all findings of the Budapest Military Tribunal of first instance, thus sentencing former police Master Sergeant Lajos Kiss to 2-6 months in prison for the infliction of life threatening bodily injuries and for obtaining admissions of guilt under duress, and prohibited his involvement in public affairs for 2 years. Police Ensign Balint Papp was sentenced to serve 8 months in military

detention and was demoted to the rank of master sergeant for 1 year for failing to exercise his supervisory duties and for inflicting injury in the course of an official proceeding. At the same time, however, the Supreme Court waived in advance the adverse consequences of a criminal background.

As this newspaper has already reported, on 22 January 1989 off-duty Sergeant Lajos Kiss apprehended minors Imre Feher and Otto Szabo on the street, on suspicion of stealing a radio tape recorder, and of defacing the walls of buildings on the street. He presented the youths at city police headquarters. In questioning the youths Lajos Kiss did not refrain from making physical contact several times. Stricken forcefully by the master sergeant, Imre Feher fell backwards. Hitting the ground he suffered severe head injuries. The 17-year-old boy fainted, and vomited several times after regaining consciousness, nevertheless the policemen continued with the interrogation. Amid threats the master sergeant also questioned Otto Szabo whose father was summoned to the police station in the meantime. Having witnessed the developments, the parent demanded that Balint Papp, the officer in charge notify his commander. Papp complied with the request, but upon the commander's arrival he failed to inform him fully of the events. In the end, the two boys were released around midnight. Once at home, Imre Feher continued to feel ill, and since his condition did not improve by morning he was taken by ambulance to the hospital at Karcag. It was determined at the hospital that as a result of the fall Feher had broken his skull at the back of his head and suffered brain injury. These injuries caused a life threatening situation. After this matter was revealed to the police, Lajos Kiss was demoted and dismissed from the police force on 25 January.

Since the prosecutor did not file an appeal in behalf of either defendant, since the law does not permit a sentence of more severe punishment, and since there was no cause to reduce the sentence contrary to the contentions of the defense, the lower court judgment was upheld.

Barracks, Party Buildings Converted for Public Use

25000320a Budapest NEPSZABADSAG in Hungarian
31 May 89 p 5

[Text] Not too long ago the Bekes County party committee decided to reduce the county party apparatus by half. As a result of rapid implementation of the decision the first renters have already appeared in the Bekescsaba party building. They will occupy the office space left vacant. The Cooperative Savings Bank's county office will have offices on the first floor of the party building, and will begin operations on 1 July, the same as the county council's budget accounting office on the third floor. The county office of the Hungarian Economic Chamber received two rooms on the second floor.

Meanwhile negotiations have been completed concerning the training of more than 500 textile worker apprentices in the MSZMP [Hungarian Socialist Workers

Party] county education office, based on a decision rendered by the Bekes County Council. College students will be placed in the same building, because the building is equipped to provide meals on a regular basis.

DEMISZ [Hungarian Democratic Youth Organization], formerly known as KISZ [Hungarian Communist Youth League], has already moved out of the headquarters building of the Bekes County party committee, and has reduced its staff significantly. It now occupies offices at the KISZ school. In the upcoming school year the KISZ school building will be used at the same time as an intermediate college. As lessee, the county council will be able to place 60 textile apprentices at the MSZMP educational directorate college, while 130 will be placed at the KISZ school.

Another initiative is worth mentioning. Leaders of the Bekes County Council paid a visit to the minister of defense and requested that the barracks located within the boundaries of the county seat be transferred by the Ministry of Defense for civilian education purposes. The minister did not reject the request, but in view of the multitude of factors to be considered he asked for patience until a final answer can be given.

Mongolian Student Seeks Political Asylum

25000320c Budapest NEPSZAVA in Hungarian
31 May 89 p 6

[Article by "csarnai": "She Did Not Want To Defect to the West—Mongolian Student Seeks Political Asylum"]

[Text] Zsagvaral Uzme, a second year Mongolian coed at the Foreign Trade Academy in Hungary, has sought political asylum from Hungarian authorities. A press conference was held regarding this matter at the Hungarian Democratic Forum [MDF] headquarters.

Zsagvaral Uzme told reporters that on 10 April the Mongolian Embassy accused her, among other matters, of having travelled to Turkey without their permission with the intent to defect. Allegedly, the Mongolian Consul threatened her with imprisonment for having done this. In mid-April they withdrew the student's passport. They also blamed her for concealing a Bible in her room at the dormitory, and said that she was spreading the spirit of the Bible among Mongolian students. In addition, she was charged with visiting the British Embassy's reading room without the Mongolian Embassy's permission.

Attila Begany, a member of the MDF board of directors, said that the Mongolian student could not have known that she needed her embassy's permission to take a trip to Turkey, and aside from that, as one may see, she did not have defecting to the West in mind. The MDF takes the accusation made by the Mongolian Embassy as an offense and therefore extends political and legal defense to Zsagvaral Uzme.

Old Name of Lenin City May Be Restored

25000315c Budapest NEPSZABADSAG in Hungarian
1 Jun 89 p 10

[Text] Alternative organizations in Leninvaros demand that the settlement restore the original name of Tiszaszederkeny it had prior to 1970. They state that on the occasion of the Lenin centennial the name change was forced by the then Borsod County MSZMP [Hungarian Socialist Workers Party] first secretary, the city's National Assembly representative.

Council Chairman Gyorgy Hegedus told the MTI [Hungarian News Agency] reporter that they are considering

whether to file a petition for the restoration of the old name; in order to do so, however, they want to know the views of all voting citizens of the city. The upcoming elections of council members and National Assembly representatives provide a good opportunity to vote on such a referendum question. For this purpose they are going to attach to the ballot a separate questionnaire. The question to be asked will be whether the populace wants to have its city called by its old name. Accordingly, a popular referendum will yield the decision whether the ancient name of the city returns.

CZECHOSLOVAKIA

Problems of 'Restructuring' Society, Economy Discussed

24000142 Prague TRIBUNA in Czech 26 Apr 89 pp 8-9

[Article by Frantisek Kudrna: "Analysis and Structural Changes Are Inevitable"]

[Text] In many letters to the editor as well as in various discussions, we often encounter the following opinion: "If our people worked more honestly, we wouldn't even need any restructuring."

According to this opinion, the solution of all our market and societal problems is easy and straightforward: order should be reintroduced, slipshod work not tolerated. And it seems equally simple to attain this goal by demanding greater personal responsibility, punishing only after dismissal from work, etc. Simply, it is essential to rule with a firm hand.

Basically, there are no objections to this approach: every government should be determined and firm. The purpose of the laws and regulations is that they be observed by everybody without exception. Unruly individuals must be punished. These are really elementary requirements for normal functioning of any societal organism; without them, general disintegration sets in.

However, the crux of the matter is that mere disciplinary or repressive measures only superficially solve the problems. If we wish to remove a negative phenomenon permanently, it is imperative to solve the causes, which must first be determined.

A Long Causal Chain

Let us consider this opinion. Is the cause in the lack of severity of our laws and regulations? The final conclusion would probably be that they do offer enough opportunity to punish dishonest work and slovenly workers (even if in individual cases there might be too much permissiveness, such cases do not occur often and do not change the basic premise). It follows then that the fault lies with the people—primarily, it seems, with the supervisors who do not insist on quality work and do not make use of the authority vested in them by law and regulations.

But we are still not at the end of the chain. It is a natural characteristic of the majority of the people, including the management, to find satisfaction in work, to achieve good results, to obtain recognition and appreciation. To do senseless work does not achieve any results and would discourage any normal person to say the least.

So why do some managers act as they do? Without principles, ambition or interest in the future, etc.... The probable reason is that the atmosphere in which they work and the conditions created for their activity facilitate, or even impose such attitudes. Another question arises: what influences and creates that atmosphere, and

those conditions? Here again we will find a number of causes, some of which may in turn have been caused by something else.

And thus we could continue on and on, yet the scope of this article simply does not allow us to go on. All I wanted to show was that the solution of the situation in which our society finds itself is not as simple as would appear at first glance from a superficial evaluation. There are no simple remedies for complex social situations (and they are complex, always and at all times). To bring about change, the decisive and, in my opinion, profound causes must be resolved in the first place. But in order to resolve these causes, we have to know and analyze them.

Honest Work and Modernization of Production Are Not Enough

If all that was needed was to bring order everywhere, and to enforce honest work, then a really far-reaching restructuring would probably not be necessary. But there is a hitch: this is only a superficial solution—and in a simplistic form at that. It does not take into account what is going on beneath the surface: is a storm raging there, tree-felling winds, a deluge, or is there a rapidly growing new forest? Yet the surface depends to a considerable extent on what is going on beneath it!

And here lies the substance of the wrong conclusion, namely that provided we work honestly, we will need no restructuring. Quite the opposite is true: restructuring would be a critical necessity even if all of us were to work honestly on our jobs, while continuing within the existing framework, even if we modernized our production! The lack of responsibility, discipline, and order with respect to some positions or some workers, the obsolete machinery, only increase our need for it [restructuring], make it more much urgent!

What is decisive, and what is substantive? To align the development of our productive forces, their structure and their orientation with the rest of the world—with the level which the advanced countries have achieved and with the direction they are about to take.

Even if we worked like the proverbial ants, but maintained yesterday's focus, we would still decline to the status of an undeveloped country. This is no exaggeration. History provides countless examples of countries which used to be at the forefront of world progress, became proud, lost the ability to observe themselves and the world around them critically and, as a result, embarked on a wrong policy; then in a short time they fell back and disappeared from the world ranks.

Such failure to comprehend the world situation as well as our own is of concern to us. Even today! We certainly have much to be proud of—particularly with regard to quantitative development or in our living standards. The analysis of the Forecasting Institute of the Czechoslovak Academy of Sciences states: "If we compare a representative per capita sampling of 15 key industrial products of our

manufacture with other industrially advanced countries, then we occupy in seven instances the first place, twice the second and once the third place... In proportion to the number of inhabitants, we have probably the largest conventional industrial potential in the world."

The work of such an industrial giant, as our country undoubtedly is, should then logically result in an excellent market position, in adequate means for the growth of living standards, of health care and social security, of tourism, etc. But that is not so! Our industrial potential does not much affect the creation of the gross domestic product per inhabitant (computed from varied data and indices)—on the world's scale, we continue to slide lower and lower. While around the year 1938 the Czech lands ranked in real gross domestic per capita production roughly in the tenth to fifteenth place in the world, during the fifties and, according to some data, as late as the early seventies, we held about the tenth place on the world scale; then in 1987, we achieved 20th to 22nd place in the world (more or less, calculations being very complicated).

And that is, of course reflected not only in economics but also in the development of living standard potential, ecological measures, health care, education, tourism, etc. But what is more, the continuation of such trends would have dire consequences for the potential development of the entire society.

So what has happened? Bluntly speaking, while the world's productive forces "turned" in the direction of application of sciences, mainly electronics, computer technology, biotechnology, etc.—i.e. toward intensification and quality, ours continued "straight ahead," in terms of quality, extensiveness, and development of trends typical for the period approximately up to the end of the fifties.

To sum up, the mere acceleration and quality improvement of the present trend of development of our economy could perhaps temporarily alleviate the situation on the domestic market but it could not, in the long run, bring about an improvement. Quite the contrary. It would not only worsen our position in the world, it would also diminish the living standard of our population in comparison with the advanced economies around us.

Structural Changes Will Be Critical

Which is the way to go? The answer was provided by a number of Party documents, for instance in the materials of the 7th and 9th Sessions of the CC CPCZ, but others as well. What matters in principle is that our economy cannot continue on its present path, but must "turn" on the road of intensive development based on the application of sciences. That means of course that it must be reconstructed, rebuilt, structurally changed. The prime minister of Czechoslovakia, Comrade Adamec said so at a recent informal meeting in Prague.

And Comrade Jakes, General Secretary of the CC CPCZ emphasized the need of structural changes at the 13th

Session of the CC CPCZ as follows: "We must not hesitate any longer to implement structural changes, they have to be approached with more determination, even at the cost of sustainable risks. But the solution must be comprehensive both, from the substantive angle, and from the viewpoint of sociopolitical connections. It is necessary to realize that structural changes will unavoidably entail a reorientation of the activity of a number of enterprises and changes in the type of work of many people."

Yes. Structural modifications must touch upon a number of branches of the national economy. Most affected will be the sectors of mining, machine tools and power industry. They must also be far-reaching. That means that they will effect many workers who will be required to add to or change their qualifications, often even their workplace. Thus their families will be affected as well.

Which Is the Best Way?

As far as we know, there is only one road toward the implementation of structural changes—that taken, mainly in the seventies, by capitalism. That road was characterized by ruthlessness toward the working people: growing unemployment and violent inflation which triggered strong shocks in capitalist society.

The socialist way is still in the process of being formulated. But it will not be any easier. On the contrary, it may be more difficult. Because the objective will be to minimize its negative consequences for working people.

But that can be accomplished under one condition only, namely, that all working people at all levels of management will approach the process of structural changes actively, initiatively, and conscientiously and that everybody will participate in its formulation and implementation. That much is clear—but, so far, only in theory.

Whether it will actually materialize will depend on the quality of the political, economic and ideological leadership of society, and on how well thought out and organized the implementation of change will. It will depend on the aggressiveness and convincing nature of the political and ideological work, on an effort to respond to all views (including those that may appear to be hostile), on winning all working people to the cause of restructuring (which also means to structural changes).

Otherwise, it will happen that essential structural changes would provoke exceptional social tensions in our society—possibly with incalculable consequences. We have to be aware that that is why all previous attempts at reform stopped short of structural changes, which, however, are the genuine yardstick of the turn toward intensification. And they stopped short because the basic universal conditions had not been gradually established and were not in time so the population could comprehend and accept their need, intent and orientation, as their own came and also because a comprehensive approach and procedure for the realization of structural changes had not been worked out.

Here are two sides of the same coin: the citizens have to be convinced that it is in their interest, in the interest of their living standards and, in general, in the interest of their own development and that of their children to carry out the changes without delay. Toward that end, they certainly have to know which direction should the changes take, which are the new things that have to be implemented and why. This requires, of course, that the responsible bodies prepare a concept of structural changes, procedures, course of action, their material and social support, etc., all that based on thorough analyses of the domestic and foreign development, particularly with respect to productive forces. Otherwise it may be difficult to accomplish such changes.

It Cannot Be Done Without Democratization

That's why so much emphasis was given at all sessions of the CC CPCZ, beginning with the 7th one, to "getting in motion" the Party and the population, radically improving the political leadership of society—primarily the right mode of "restructuring" the cadres by fundamentally changing ideological indoctrination, primarily in the direction of improving their effectiveness and impact on people's thinking and actions.

All that will not happen, unless we create conditions for the people's active participation—conditions which we otherwise refer to as the development of socialist democracy.

Once again: this is not a matter of formalistic changes—e.g., changing the voting methods, even if their importance cannot be underestimated; it is, first and foremost, a question of creating a democratic ambience in the society.

And that is where the policy of openness begins, which does not adhere to hitherto ingrained rules of telling the truth piecemeal—most of it to those on the top, with diminishing quantities downward (e.g., in matters of ecology).

It is equally impossible to create a democratic atmosphere without an open exchange of views, without applying the principle that political problems have to be solved by political means. We are, after all, deeply convinced that we communists best express the interests of the working people and strive for a better future for them. Therefore, we should not fear to enter into disputes and to argue even with nonsocialist views, to uncover their motives and the real objectives pursued by those who hold them. However, we also have to take into consideration that the enemy, in order to win people over, has to proceed from real situations, beliefs and frame of mind of the population. By mostly greatly exaggerated criticism, slanted mistakes and the spreading of half-truths and slanders, the enemy attempts to win over as many people as possible. Therefore, just as before 1948 and immediately thereafter, we must also strive today to gain for restructuring the support of those who, for whatever reasons, hesitate or are influenced by adversary views. If somebody has a wrong opinion, if he

is mistaken, we have to explain the errors of his ways by using the facts. In this respect, we have plenty of experiences from history.

The power we have at our disposal should not lead us away from the understanding that we must win the working people over to our side, in the interest of socialism and its restructuring—and I say it once again—it should be done primarily by political means.

It is understandable that those who violate the laws of this country have to bear the consequences; the strong arm of the state power must strike him. But only within the limits of the law: the defense of the country must be commensurate with the attack!

As we are gradually approaching the next, decisive phase of restructuring, the level of opinions gets more complex and with it also the political, economic and ideological leadership process. My personal opinion—based on various meetings and discussions I have attended—is that we cannot come to a unity of points of view and, consequently, also of our efforts in the process of restructuring, if we do not understand clearly the answer to the following questions:

- Why is restructuring of the whole society and particularly of the economy necessary?
- What are its goals in individual sectors and in the entire society and why?
- What ways and methods must we choose in order to accomplish the goals of restructuring?

Let's not be mistaken: although a lot has already been said about restructuring, these fundamental questions are not at all clear to a great number of people! Understandably, there are many reasons for it. I think that one of the most important ones is that people are actually not at all familiar with the internal and external circumstances, how they developed—both individually and in general—and of their causes. Not everybody follows all the documentation that is published, reads the speeches (particularly the exceedingly long ones) and articles appearing in all kinds of newspapers, etc. And consequently many a thing—even essential—escapes them.

In my opinion, the appropriate way in this respect is a continuous analysis of past and present events (as imposed, after all, by Marxist-Leninist theory and the theory of leading a society). Analysis helps people to adjust to the conditions, goals and needs of society. There is no doubt that we are in need of an up-to-date, open analysis of the state of our economy, of the world situation, an analysis of the causes and possible solutions. As we all know, the head of the Czechoslovak government, Prime Minister Adamec announced in a government statement that the government is presently preparing such analysis which will be submitted to the Federal Assembly. But an economic analysis is not the only matter—an analysis of the conditions of the whole society is also badly needed. Here, as well, studies were

initiated in connection with the preparations for the 18th Congress and preparations of the new constitution.

The views I have mentioned at the beginning of this article (that if we render honest and quality work, restructuring would not be necessary), clearly prove the lack of understanding of the fundamental aims and goals of restructuring and they certainly speak for the above-mentioned analysis and methods that to be used.

GERMAN DEMOCRATIC REPUBLIC

Regional Distribution of Productive Forces Studied

23000174 East Berlin

WIRTSCHAFTSWISSENSCHAFT in German
No 5, May 89 pp 644-659

[Article by Prof Werner Ostwald, born 1929, holder of a doctorate in economics, director of the Research Office for Territorial Planning, State Planning Commission, and chairman of the Scientific Council on Regional Distribution of Productive Forces: "Conditions for Territorial Reproduction in the GDR for Achieving the SED's (Socialist Unity Party of Germany—GDR) Economic Strategy Until the Year 2000"¹]

[Text] The territorial conditions in the GDR play an important role in implementing the SED's unified economic and social policies. Our combines and enterprises, cooperatives, and plants everywhere in the bezirks, kreises, cities, and villages are more and more coming to the realization that "favorable reproduction conditions for the development of combines and enterprises benefit the citizens in the territory and the entire society. By the same token, whatever strengthens our workers' and peasants' state benefits our villages and cities and serves the welfare of all our citizens."² For that reason, it is part of the policy enunciated at the SED's 8th Party Congress to give greater weight to the ability of the territory to carry out our unified economic and social policy. By doing so, the SED takes account of the growing role of the territorial structure of social reproduction for all social changes. The territory is becoming increasingly important for all those far-reaching political, economic, social and intellectual-cultural changes that characterize the historic process of shaping the developed socialist society in the GDR.

Conditions for territorial reproduction are defined as that part of all social conditions for the constant repetition, renewal and continued development of the reproduction process which is determined by the spatial factors of society and nature and is linked to territorial units. They are considered absolutely necessary conditions for any production and life processes to take place and be repeated in the same or higher quantity and quality. This characteristic applies to the population in the territory and the resource it provides in terms of social work capacity, to the natural resources of territory/soil and water as well as to the territorial infrastructure.

All citizens and enterprises lay claim—always and simultaneously—on these elementary, absolutely necessary territorial conditions. They are not available in unlimited quantities, often even in short supply and in excessive demand, and usually they cannot be substituted either. For those reasons, they must be used economically, distributed most effectively, and developed prudently, according to plan.

The socialist planned economy of the GDR meets these requirements. It also takes into account that, now and in the future, additional demands on our territorial conditions for reproduction can only be met if the latter are made available by other users in that territory. At the same time, the socialist planned economy of the GDR ensures that, by freeing and redistributing our conditions for territorial reproduction in a flexible manner, it can meet the new requirements for scientific-technological progress, for necessary structural improvements of the production process or for new needs of our citizens. This, in principle, also applies to other conditions for territorial reproduction, e.g., territorial cooperation conditions, that is, potential cooperation, at the above-enterprise level, among neighboring areas and above-enterprise-level production agreements with neighboring companies (even if their organizational structures differs), and possible linkage of production and science in the territory. In an extended sense, conditions for territorial reproduction also include territory-specific professional traditions and the expertise of the workforce, besides specific quality characteristics of nature as a condition for certain production lines, for recreational purposes and others. Not all of these territorial reproduction conditions in a wider sense are always absolutely necessary for social reproduction in a territory. However, they are desirable conditions for production and for the quality of life of the population. Their proper utilization helps minimize the total economic costs of producing our national income.

However, the significance of the conditions for territorial reproduction in the GDR does by no means only depend on the high demand for them and on their scarcity, but largely on the type of intensively expanded socialist reproduction. Basically, comprehensive intensification and consistent utilization of what is available must also include those conditions of social reproduction which, in terms of both quality and quantity, are unevenly distributed in a territory and are undergoing over time a very different development in some regions and communities. That, without reservation, applies to the GDR, regardless of the relative smallness of its territory.

It is therefore a basic matter of concern for the continued development of the Marxist-Leninist reproduction theory to identify the distinct territorial conditions as important prerequisites for the effective work of man, our most important productive force. The territorial conditions are the immediate material and social conditions of our political system. They are the prerequisites for developing the driving forces of socialism. These driving forces are coming into play, among other things,

once agreement has been reached on the interests of the combines, enterprises, cooperatives, plants, and citizens at the time the conditions for territorial reproduction are acquired, utilized, and formed. Thus, the territories take account of their own specific interests, the coordinated realization of which advances the driving forces of socialism as part of the social totality.

The complex effects of territorial conditions for reproduction require long-term coordinated management and planning, and that makes it necessary to establish the unity of the branch and territorial principle of both management and planning at all levels of public and economic administration. This unity becomes all the more crucial as branch operations and territorial conditions become increasingly intertwined. Scientific-technological progress and its economic and social transfer demand that combines and enterprises increasingly tie their own responsibility for production management and planning to the economic and social development of their territory. The example of such successful combines as the VEB Carl Zeiss, Jena, demonstrates this growing interdependence of industry and territory. Here the development and application of advanced technologies and combine-related matters were closely linked to the development of the city of Jena and its environment.

Our socialist planned economy is able to make use of this true interrelationship and shape it in a way that produces economic benefits. It is also able to master the multiple interdependence of industrial and territorial development which becomes more complex as science and technologies advance. That has an impact on, among other things, the interconnected systems of science, education, production—which have experienced fast growth as a result of the broad application of key technologies, the development of complex productive systems with their sometime location requirements, the territorial aspects of the economics of the installed reproduction potentials in terms of resources and the environmental economy as well as the utilization of all sources in the circular flow of materials. In addition, there is the growing role of the subjective factor for scientific-technological progress. This is because workers experience and weigh the benefits, ideals and values of socialism not only against the global advances of the developed socialist society, but largely against the concrete conditions in their own territory, e.g., the smooth functioning of the territorial infrastructure in their bezirk, town and village. The territorial conditions for reproduction also determine, to a significant degree, their willingness to perform.

Population Growth—The Most Important Condition for Territorial Reproduction

The most important productive force is man. His needs and his capacity to perform in these territorially diverse circumstances have the most crucial impact on social reproduction. In the GDR as a whole, no population growth can be expected in the long run and no increase in the number of workers because of the age structure and

birth rate. Several territories, especially larger cities, can expect their population and number of workers to grow over the coming decades. For others, particularly small towns and villages in industrial centers as well as small villages in agricultural areas, a decline can be expected. There are no two districts or cities in the GDR where the capacity to perform is developing in the same way. This is primarily due to the fact that population growth, the age and sex structure and the impact of migration are different in all territories.

Also, the professional expertise of the workforce and the level of their qualifications does not only depend on the respective branches and sectors but also on the individual territory. The political, economic and social impact of such territorial differences is becoming more and more important.

We are able to make reliable forecasts about territorial differences in our demographic development. Hence they are a calculable factor for managing and planning the total process of social reproduction. Migrations deserve special attention. They have a particularly lasting effect on territorial reproduction conditions, but are hard to influence. In order to manage them we must realize that the migration processes in themselves are to a large part the results of different territorial conditions.

Depending on the large variety of social needs, social efforts to influence migration require the careful selection of locations for homebuilding and targeted improvements in working conditions, services, transportation and environmental conditions in both areas, that is, where the population migration originates and where it ends. Designing and applying a long-term migration strategy puts great demands on all scientific preparations. Answers must be developed for the following questions, among others:

- Which criteria should be established for a socially desirable domestic migration process in the GDR?
- How effective can varied measures that are designed to influence domestic migration be?
- What would be the economic, social and demographic effects of measures to direct migration?

Territorial Cooperation Possibility—Indigenous Condition for Reproduction

Conditions for territorial cooperation, that is, cooperation within a territory of enterprises and facilities in different industries and with different management structures, varied size etc., are territory-specific. Such cooperation is based on social ownership of the means of production and is a productive force that is one of the benefits of socialism. Only a socialist planned economy is in a position to utilize and ensure this territorial condition across organizational boundaries of enterprises and facilities in the territory through organized territorial cooperation. This has more and more become

a growing phenomenon in the GDR which often crosses the borders into neighboring bezirks and kreises.

The GDR has meanwhile established a decade of tradition of applying this territorial production condition.

Clear political leadership by the SED and the people's local representatives and their organs have wrought extensive economic and social benefits. It has been demonstrated that the effects on the implementation of the economic strategy is so much greater, if all participants in the territory can be made aware, in a goal-oriented fashion, of the need to preserve the conditions for territorial reproduction and to reproduce them as intensively and widely as possible. This is being more and more accomplished by including cooperative and private skilled craftsmen from outside state-owned property as well as bezirk and kreis boundaries. The need to work together and the potential effects of such cooperation on the territory depend on the extent of the scientific-technological level of production, the level of worker qualifications, and the complexity of the social and technological infrastructure.

Crucial to the utilization and development of this condition for territorial reproduction is the relationship between science and production, especially in transferring new scientific-technological findings. With the broad application of our scientific-technological progress, the territorial interlocking of science and production is increasingly becoming a major condition for reproduction. Its utilization and formation can make significant contributions to increasing the economic effectiveness of scientific-technological accomplishments and to applying key technologies on a broad basis. In the process, new opportunities for territorial cooperation of industry, agriculture and, science are emerging.

Also, by accelerating scientific-technological progress, territorial cooperation helps science to turn more and more into an immediate productive force. This is accomplished by developing scientifically intensive territories and by creating a closer relationship between science and production, including a limited exchange of cadres. Territories with a high concentration of industry-owned research potential and other scientific facilities are now developing in the major industrial areas. That carries with it the co-responsibility of the scientific facilities for providing basic and continued training for the combine and for the enterprise workers in the territory. All this enhances the integration of basic research in the combines as well the intensification of basic and applied research, and the inclusion of management and application of science and technology in territorial cooperation effort. This means shorter renewal and transfer periods and improves training conditions in the territory.

Further progress in socialist regional cooperation with more self-responsibility of the combines and enterprises will also require a broadening of the scope of territorial cooperation by providing the material and financial means needed for these purposes. Suitable forms must be found

for the availability and physical liquidity of such means under the control of local government organs by utilizing the merchandise-money relations as much as possible.

The Territorial Infrastructure as a Condition for Economic Growth and Stability

Each territory must have a highly complex and high-quality technical infrastructure—electric power, water, and transportation supply facilities and networks—and the social infrastructure to supply and take care of the population in the widest sense. Thanks to the goal-oriented economic and social policies of the SED, our infrastructure plants and facilities network has expanded in recent decades. This above all holds true for the major macro-networks of the technological infrastructure and the basic facilities of all towns and villages.

To achieve its main goal to improve our infrastructure performance, the economic strategy of the SED requires high-quality performance through scientific-technological innovations in the infrastructure, in particular through the use of key technologies. At the same time, the use of specific resources such as the deployment of workers, land use, water, and electric power for the infrastructure as well as the territorial economic cost must be reduced. Territorial rationalization ensures more efficient utilization everywhere of both our existing capital stock and the work performance of our infrastructure. Hence our goal is to intensify the infrastructure. It also includes the efficient utilization of accomplishments, especially those of the technological infrastructure in the economy, and the avoidance of every type of waste. At the same time, it cuts environmental air and water pollution in all territories.

Important for economic growth and stability is to ensure, everywhere and at all times, that the infrastructure receives reliable supplies. That requires the simple reproduction of their facilities and equipment. The technological infrastructure must have reserves for damages. Every modernization increases the plant capacity of the technological infrastructure and improves the quality of the complex supply of the infrastructure.

Whether the living conditions in the cities and villages are approximately the same, depends on their basic infrastructure. That covers all infrastructural plants and facilities, the services of which must be available to all citizens—in their entirety and in sufficient quantity and quality, basically daily—or be within reach of all citizens within a reasonable time, regardless of where he or she lives. For the social infrastructure as well, the simple reproduction of plants and facilities in all regions must be ensured and we must go on to its intensively expanded reproduction. That, of course, includes quality improvement. Here again, in light of the high level of basic infrastructural facilities, the key issue is to maintain and repair existing buildings and to modernize the sanitary and heating installations of preservable structures. Investments in new buildings should primarily replace spent substance.

The better we can ensure the simple reproduction of the existing infrastructure, the more we are able to limit extensive infrastructural expansions and related factors they cause. This goal [is up against the following obstacles]: extensive building of housing to take care of the continued population growth in our cities, construction measures to rehabilitate buildings at the outskirts of our cities, extensive measures to reduce unjustifiable territorial differences in the standard of living and in extensive production growth. Economically needed building activities for expansion and replacement purposes as well as expensive scientific-technological replacements of our technological infrastructure should be concentrated in territorial key centers. New demands on the infrastructure due to the broad application of key technologies and the steadily increasing needs of our people must primarily be met through improvement in the quality and complexity of our infrastructure.

Concentrating advances in the scientific-technological infrastructure in industrial centers and on linking them promises to yield the greatest economic benefits and may increase the locational advantages of these territories in terms of both production and science. At the same time, the locational distribution of our productive forces must guarantee that, in the long run, the infrastructural living conditions in the territories, especially the infrastructural differences between the city and the country, continue to be narrowed and that all enterprises find the conditions for the infrastructural reproduction they need in order to maximize their efficiency.

The Significance of Conditions for Natural Reproduction, Including Environmental Conditions

The utilization, protection and establishment of conditions for natural reproduction have increasingly become the basic goals of socialism and the basic values of our developed socialist society. They must always be carried out in the territory.

The objective of the SED's economic strategy is to build, in a step-by-step manner, closed material cycles on the basis of waste-poor or waste-free technologies. This is the best kind of environment-friendly economic activity that simultaneously improves the working and living conditions in the territories. It is consistent with the process of metabolism, which has become ever more intense, between society and nature and society's increased responsibility for the efficient utilization of nature. Territories that are free from, or poor in, waste products make it possible to combine the efficient utilization and the protection of the natural conditions for territorial reproduction with more intensive production. That means the effective use of raw materials and electric energy, the minimization of waste products, and the productive utilization of waste products that become available.

Of particular importance in this context are the industrial centers and big-city regions in the GDR. This is where the interactions with nature are concentrated and

powerful; and here the most intensive use of the conditions for natural territorial reproduction and most of the environmental abuse occur. It also spreads to the surrounding territories. In these territories—that is, the concentration centers for people and industry, and the high-technology centers—the needs of both the population and industry for the quantity and quality of natural territorial reproduction conditions (need for space, water quality and quantity, air quality, close-by reaction conditions) are growing. This obviously calls for the closest possible cooperation of industrial and territorial management and planning. With the development of production and technology, the combines and enterprises must ensure the timely utilization of waste-products in order to enable local organizations to influence, as coordinators, all recycling and dumping efforts.

Connection and Interaction of Territorial Conditions—A Matter of Concern to the Socialist Planned Economy

The connection of the development of productive forces with all social and political relations can only be established in the territory itself. And only the socialist planned economy is in a position to make the territorial reproduction conditions complex and employ them for effective social reproduction, according to plan. Since the beginning, the socialist planned economy system that has proven itself in the GDR has made targeted use of the conditions for territorial reproduction in its economic reproduction process. That means, it focuses these territorial conditions on areas that produce high economic results. In doing so, its efforts center on ensuring the profitable production of exports in the territory and on developing and applying key technologies.

The objective of using and reproducing these and all other territorial conditions within the framework of the GDR socialist planned economy is to strengthen the economic position of its combines and safeguard and improve the working and living conditions of the citizens in the territory. Work conditions in their territorial differentiation, in particular, receive increasing attention.

The utilization and reproduction of territorial conditions must be viewed primarily as a long-term undertaking. It is part of designing and implementing an effective structure for our national economy. The reason why it is becoming an important factor of our comprehensive intensification work is not only because the available social capacity for work in the GDR is expected to decline up to the year 2000 and later. Basically, intensively expanded reproduction requires the most efficient utilization of all resources, for the good of mankind and in the interest of high economic performance. Finding and utilizing, according to plan, the territorially diverse development of these resources, the locally different availability and the territorial differences in the reproduction conditions, is an indispensable part of comprehensive intensification.

This applies as much to the differences in age and qualifications of the social workforce as it does to natural resources. Examining locally available building materials and the volume and quality of water resources, which differ from territory to territory, for exploitation and utilization as conditions for reproduction, that is a matter of comprehensive intensification. The same applies to land resources and their optimal economic utilization in line with the varied locational conditions, the available technological infrastructure at the site, their potential use for agricultural purposes, for construction, waste management, etc., as well as safety regulations for mining, drinking water, and so on.

Finally, comprehensive intensification also covers the targeted utilization and careful development of regional differences in the infrastructure of *bezirke*, *kreise*, cities, and villages. Infrastructure differences must be utilized and further developed in a way that guarantees everywhere optimum work and living conditions for the people and optimum conditions for production and reproduction in the widest sense.

Now, the socialist planned economy has the advantage of including the complexity of territorial reproduction conditions which differ according to regions and residential areas. That makes it possible to keep in mind for economic planning purposes that large cities have a different complexity of regional conditions than villages, and that industrial areas are different from agricultural areas. The socialist planned economy is also able to take into account and shape the relevant specifics of the respective production and living conditions in these territories and residential areas. Comprehensive intensification utilizes and reproduces this diverse complexity of territorial conditions in the sites and in the regions.

The intensive kind of reproduction requires that such territorial differences—including both advantageous and disadvantageous conditions of the territorial structure—must ever more carefully be kept in mind when considering modifications and radical changes in shaping the developed socialist society. In this way, it is possible to develop reserves to speed up the processes of social change and make them more efficient. In order to ensure that these changes in the developed socialist society, are made according to plan, account must be taken, as completely as possible and for the long term, of their different territorial conditions. For that reason, socialist planned economics include the preparation for each city and each village as well as for the *bezirke* and *kreise* of careful listings and analyses of concrete conditions, under which each territorial unit makes a contribution to the formation of our developed socialist society. These analyses will be incorporated in our long-term thinking. Such analyses and long-term conceptions provide the territorial underpinnings of the SED's social strategy.

The socialist planned economics is not only interested in the effective application and the efficient utilization or consumption of infrastructural accomplishments or natural resources. In line with the maxim that we leave the

conditions for reproduction to future generations in a better shape than we found them, this is always also a question of the reproduction of territorial conditions. The socialist planned economy has the duty and the opportunity to resolve the issue of the most efficient utilization and improvement of territorial conditions as a unified task. By doing so, it creates a basic prerequisite for lasting comprehensive intensification.

If it is one of the basic advantages and great achievements of socialism that socialism has the ability to master the complexity of social development and to shape the many interactions among all social areas, particularly economics, science, education, and culture according to plan³, it means above all a demand on the territory's complexity as "a small whole." These relations are extremely diverse and sensitive.

For instance, the dimension and quality of the social capacity for work in a *kreis* are linked to natural population reproduction and the production structure in the *kreis*. The volume and structure of society's capacity to work depend on the quality of jobs in that *kreis*. Both the level of the social infrastructure, especially of living conditions, and the capacity of the technological infrastructure, in particular of the transportation infrastructure, play a role in determining whether a sufficient number of workers with the necessary qualifications lives in that *kreis*. Society's capacity for work in a territory also depends on the quality of the natural environment in that territory. In addition, the capacity and reliability of the social infrastructure, in particular, depend on the work capacity of the building industry, which is under the direction of the *kreis*, to maintain buildings and repair infrastructure facilities.

Hence, territorial conditions do not exist side by side as isolated factors for implementing our economic strategy. Always and everywhere, they form a total unit in the respective territory. This is not only important for local people's representatives, but also for each combine, each enterprise and each cooperative, if they want to be involved in the utilization and reproduction of a specific territorial reproduction condition.

The complexity of conditions for territorial reproduction is not merely determined by their quantity, but above all by their quality. To mind comes the purity of water and air, the dependability of the technological infrastructure, the state of the basic construction base, the development of the land, but primarily the age and sex structure and the level of worker qualifications in the territory. A large variety of targeted measures are needed to open and develop this qualitative aspect of the territorial reproduction conditions for comprehensive intensification.

For instance, in the *bezirk* of Karl-Marx-Stadt, the number of jobs for women has to be reduced in some *kreise* where the population of working-age women is declining rapidly. Scientific-technological measures must be taken to adopt water-saving technologies in regions with persistent water shortage. The continued

high utilization of territorial reproduction conditions in the GDR makes the latter the target of scientific-technological progress so that our conditions for territorial reproduction can be used and reproduced more effectively. Particularly for innovative processes, which undoubtedly will put additional demands on the territorial conditions, it is imperative that the territorial conditions be efficiently used and reproduced with the help of scientific-technological advances.

The constant change of territorial conditions and their interaction must be forecast on a long-term basis and taken into account in economic and sociopolitical decisionmaking. This is the responsibility of territorial management and planning at the central level, at the local level and in the *bezirks* and enterprises themselves. All levels must contribute in order to achieve the unity of the industrial and territorial principle. This unity is a firm component and a basic principle of management, planning and economic accounting. Territorial planning is therefore not only the responsibility of local bodies, but of all levels of management and planning. It also requires that all levels work together.

Of course, the local people's representatives have a special responsibility for their territorial conditions. As an expression of socialist democracy, the aim of their efforts is to gain an increasingly better understanding of the complexity of social development in their territory and to safeguard the complex interaction of economic and social, technological and urban-planning, and demographic and ecological development.

Some Development Trends of Territorial Reproduction

The socialist planned economy of the GDR has an effective tool for the constant analysis and long-term formulation of its territorial reproduction conditions: The General Scheme for the location of its productive forces. Interdisciplinary territorial research, organized as part of economic research, prepares the necessary material for it. The model for this general plan is the result of cooperative efforts with USSR scientists.

The above-mentioned general plan provides new insights into the territorial conditions of reproduction and helps transfer its research results for practical application. For instance, in years past, forecasts of population trends, according to GDR districts and including domestic migrations, have provided new insights; the calculations extended beyond the turn of the next century. Among them, for example, are estimates of future territorially determined expenditures for mining in the GDR, a mathematical determination of territorial centers for realistically possible measures to reduce air pollution caused by dust, sulfur dioxide, and nitrous oxide.

Important findings have also been made on the interaction of scientific-technological advances and the conditions of territorial reproduction. Thus, they showed a concentration-promoting effect of scientific-technological progress. Traditionally grown locations and regions are the prime choice for the establishment of

high technologies. They are favored and attractive because of such territorial reproduction conditions as the existing pool of experienced scientists, engineers, and skilled specialized workers in a territory. For example, they were a very important location factor for establishing the thin-layer technology in Teltow and for starting the production of semiconductor diodes and chips in Stahnsdorf, and copper-foil and glass-fiber laminates in Hennigsdorf. The microelectronic industry found similar conditions in Dresden, Erfurt, Eisleben, Muehlhausen, Arnstadt and Soemmerda.

It has been proven that opportunities for training, advanced training, and retraining in a territory help promote high-technology and hence concentration, as do land resources and air and water quality. But territorial conditions for science-industry cooperation are the most important location factor. For example, when the semiconductor plant in Frankfurt/Oder was set up, the physical distance to the Teltow Institute for Semiconductor Technology in the neighboring Potsdam *bezirk* was a disadvantage. The establishment of the Academy Institute for Semiconductor Physics in Frankfurt proved to be a positive condition for territorial reproduction. This territorial reproduction condition will be even more effective, once the Center for Submicro Measuring Technologies has been established.

Locating high technologies often requires the adaptation of the reproduction conditions in the respective territory. For instance, the VEB Electro Installation in Sondershausen was converted into a factory manufacturing ceramic casing dishes for microelectronic building elements and the VEB Aerodynamic Installations in Erfurt for the production of oxygen in its purest form. The effect of adaptation is further enhanced if, like the plant manager of Semiconductor Works in Frankfurt/Oder, as chairman of the Cooperative Council for Territorial Rationalization, has an engineering office of his own to support the use of microelectronic technologies in medium-sized and small enterprises in his *bezirk*. Finally, cities and regions, where high technologies are located, are also favored because of targeted home construction, better shopping opportunities, improved commuter transportation, recreational facilities, etc., i.e., complementation and modernization of the entire social infrastructure.

Approximation and Differentiation of Territorial Conditions

For several years, there has been a tendency in the GDR to approximate the level of development of all production forces and socialist production conditions throughout the country. In general, this tendency was bestowed the rank of objective legality.⁴ This proved to be a major factor of GDR economic and social stability. Such legality has also been practiced in other socialized countries and is rooted in theory.

For the GDR, for instance, this includes the establishment of an efficient material-technological base and

developed social infrastructure in all territories. The forced industrialization of the northern and central *bezirks* made it possible to improve the territorial ratio between industrial production and population. After four decades of planned development, we have achieved in all territories approximately the same living conditions for all citizens. This includes job security in all industrial sites anywhere. It is the way the former south-north gap in the GDR was overcome.⁵

Progress in accomplishing territorial approximation is also due to the fact that the GDR's social and technological infrastructure has undergone a tremendous expansion over the past 20 years (1970-1990). Some 3 million homes were built or modernized. The number of kindergarten spaces has increased by 145 percent, that of nurseries as much as 230 percent, after-work and nursing homes by 160 percent and medical doctor positions 215 percent. The territorial approximation covers the entire home-building program and all investments in our socialist education system. As a result, we now have equally good schools throughout the country. Medical care has been ensured in all *kreises*.

Expansion of the technological infrastructure has also been a factor in this territorial approximation. The proportion of people who are now getting their drinking water from central networks has grown from 80 to over 95 percent, and the number of homes with bath or shower as well as water toilets from 39 to 86 and 79 percent, respectively. Today all GDR communities are linked to the public transportation network.

The expansion of the infrastructure, which received a high percentage of our economic investments over the past two decades, proceeded, as planned. The funds were allocated in a way that allowed us to increasingly abolish unjustified territorial differences. The social policies of the SED have provided all GDR *kreises* with a basic infrastructure within reach of all citizens in our cities and communities. This provides the basis for approximating the living conditions in all parts of the country. The planned continuation of such a territorial approximation requires conceptual preparation, including a strategy for infrastructure reproduction, the principal aim of which is the continuing approximation of the quality of our territorial infrastructure by maintaining and repairing our plants, facilities and networks. For each *bezirk*, each *kreis* and each city it must be determined on a long-term basis which infrastructure capabilities should be maintained, modernized and utilized more efficiently in the coming centuries. In all territories, the preservation of our material resources must take precedence over any infrastructure expansion. This is the best way to ensure the continued approximation of the conditions for territorial reproduction.

Of course, such territorial approximation can only be produced in its tendency. It is the result of many successive, selected developments. For that reason, the territorial approximation of living conditions and production level is not an absolute given. This manifests itself

already in the different development pace in the sciences, the development of engineering and technology, the development of products and production at ever higher levels and, finally, the step-by-step development of our needs. One important task of territorial economy, as part of our efforts to achieve and preserve an approximately equal level of development in all territories, is to pick out those cities and regions where measures to develop productive forces with improved cost-benefit ratio and broad-based high economic impact produce strong social effects. It is also a task of the socialist planned economy to uncover—in a timely fashion and as a basis for decisionmaking—where differences in the level of productivity and living conditions have temporarily grown and to examine the causes and consequences of such a development.

This also includes determining which differences in the distribution of productive forces are in the social interest and must continue to be organized in the future according to plan, and which differences must be eliminated because they represent unintended social differences and must therefore be resolved within the framework of all economic possibilities in the short, medium or long run. It also must be determined in advance, on a longterm conceptual basis, in which areas such differences might conceivably repeat themselves.

Another progressive territorial differentiation operates as the dialectic counterpart to approximation. It is primarily caused by territorial concentration. It is well known that, at the time, the above-described territorial approximation occurred, remarkable territorial concentration processes were accomplished. Thus, although the GDR population declined somewhat during the 1980-1987 period, that of the GDR capital increased by more than 100,000 inhabitants as a result of suitable location choices for home building^{6, 7}. This number was associated with unmatched accomplishments in urban building. It reflects the historically remarkable transformation of the GDR capital into a political, economic and spiritual-cultural metropolis of international stature and is overwhelmingly due to the influx of people from other *bezirks*. A substantial proportion of the GDR's complex home construction program and investments for technological infrastructure, industry and construction were concentrated in the capital, according to plan.

During the same period, another territorial concentration of productive forces emerged from the territorially concentrated development and application of advanced technologies in the area around Erfurt, extending from the Eisenach *kreis* to the city of Jena. Here, we utilized the pool of available qualified workers, existing specialized industries and fully operational infrastructural facilities and networks. This territorial concentration as well is of benefit to our national economy.

Since under prevailing GDR resource conditions, such territorial concentrations of productive forces must always be supported by other territorial units, the

increase of economic efficiency resulting from the concentration must be weighed against the potential effects of economic and social deconcentration on other territories in order to ensure the continued balanced development of the entire GDR territory.

Economical Utilization of Land Resource

All enterprises and plants, and all branches and sectors can and must work more efficiently with the available land in the cities and villages of the GDR. That idea is not yet been sufficiently incorporated in the system of management, planning, and economic accounting.

Like our water supply, land cannot be increased without considerable economic costs. It is currently almost 100 percent utilized, some of it even more than once. Yet, the demands on our land are constantly growing. Whereas agriculture has been able to achieve a significant production increase, despite a steadily shrinking acreage—a clear sign of intensification—the cities in the GDR have grown very extensively in terms of the space they occupy. The tendency of many branches and sectors—home construction, industry, mining, transportation, recreation, drinking water purification, protection of the environment, and nature—to use more and more land is primarily at the expense of land used for farming. However, the economics of land use must also include the effective use of built-on city land, traffic areas, etc., that is, all types of land uses.

Building such a large number of homes as part of our housing program could only be accomplished with the help of technologies that can be applied to large sites. But in the past 20 years, these large sites at the outskirts of our cities have caused fundamental changes in the spatial organization of these cities. While the use of land for agricultural purposes declined, more and more people moved to the city outskirts, and the inner cities lost sometimes up to 50 percent of their population. People needed more and more time to commute to their work places and shopping and recreation areas. Meeting the demands for transportation to and from these newly built-on areas requires increasingly larger expenditures in national economic terms. The demand for electric power and workers to service this short-distance transportation system has correspondingly increased in these cities. On the other hand, very conveniently located innercity areas are utilized less and less intensively. All this calls for a significantly stronger orientation toward intensive city development.

This situation and tendency raise the question whether it is sufficient to have the land utilization fee as a lever for ensuring the efficient use of our land resources; whether locational advantages and the development of specific areas, by way of infrastructure, are taken into account in a sufficiently differentiating way; or whether the view is correct that land use in the GDR is actually free and that therefore a differentiated fee for the use of land should

be considered. On this issue, interesting economic views and proposals, based on the Marxian theory of rent, have been put forward.

Overall, we should strive for a considerably more responsible use of land by all economic units. The use of land must be better monitored and valued in terms of socially justified demand for land on the basis of economic, social and ecological criteria. The use of land must be managed in a way that balances the utilization and protection of the area, according to plan. These efforts must take account of the land's suitability, which differs from territory to territory, depending on the diversity of natural and developmental conditions. The efficient use of land must guarantee the sensible continued development of specialization in such territories as highly productive agricultural regions, recreation areas, mining regions, and big-city areas that have numerous competing demands on land.

The demand for high-intensity land use can only be fulfilled by the continued development of conflict-free or conflict-poor forms of multiple or multipurpose uses; for instance, by constructing production and related industrial buildings as well as social facilities for multiple daily use. Apart from general guidelines for the efficient land use throughout the country, appropriate principles and guidelines must be worked out and applied to ensure effective regional land-use structures. In addition to the overriding importance of safeguarding the special function of a territory, the formation of an efficient territorial organization of the use of land must be ensured. This not only has an economic effect (for instance, decreasing transportation costs), but also a large positive impact on the working and living conditions of the people (for instance, by reducing the amount of time spent and minimizing the adverse effects of environmental pollution).

Of particular importance for the intensive development of large cities in the GDR is the efficient territorial organization of land use. To limit the spatial expansion of these cities, we must review more thoroughly the efficiency of our current land use for home construction, production, recreation, and other functions, and we must develop innercity land reserves and, by doing so, make the total structure of the city more efficient. A suitable strategy would have to be worked out and implemented, according to plan, based on long-term plans for the social and economic development of regions and on master building plans. The efficient use and reproduction of territorial conditions must start from the proven principle that local responsibility and democratic self-determination must be increased in all matters that can be determined more easily and in a more informed way at the local level.

Conclusions for Continued Improvement of Management, Planning, and Economic Accounting

More efficient utilization and reproduction of territorial conditions demand further perfection of the management, planning, and economic accounting system.

A first major effort must be made by central government management and planning. Further qualification for managing and planning the complex economic and social development of the bezirks, kreises, cities, and villages requires more uniform, but territorially differentiated central strategies and general guidelines. Towards this end, the branches and sectors in our economy, especially in the industrial sectors, must work with long-term concepts that include territorial requirements and effects. They must be coordinated with the central location concept (general scheme). The latter contains, among others, strategies for the development, proportional distribution, and reproduction of territorial conditions (particularly social capacity for work and infrastructure), for the distribution of manufacturing, for migration, and for the development of the urban residential network in certain regions and cities. Its task is to improve—as long-term, conceptual preparatory planning material providing scientific drafts for decision-making for 15 years—the organic linkage of long-term, medium-term and short-term planning in the area of territorial planning as well as the linkage to the general residential zoning and general transportation plans for certain cities.

A second key area is at the level of combines, enterprises, cooperatives, facilities, and so on. In their own management and planning activities, they must apply both the branch and the territorial principle, and to do so, they also need conceptions for the distribution of their productive forces. This would make for better coordination of the interests of the enterprise and territory. The enterprises and facilities must benefit from the efficient utilization and formation of the reproduction conditions in the territory as an advantage for the efficiency of their own reproduction process. The pertinent legal regulations—for example, the law concerning local people's representation, the combine regulation, the electric power and water law, the landuse regulation—can be applied even more consistently and they can be supplemented on a step-by-step basis by more far-reaching regulations, especially by making the use and reproduction of territorial conditions a part of economic accounting.

Thirdly, thought must be given to ways to further strengthen the capabilities of the central government's local agencies and to improve their expertise and accountability so that they can contribute in the longer run to the mobilization of all reproduction conditions in their territories. Local bodies must be better equipped to utilize the conditions in their territories in an economically effective way, to ensure the reduction of cost in territorial resources per performance unit, and so on. To achieve this, they also need more latitude in decision for which they themselves are accountable. This must also be considered an important precondition for the smooth transition to a system under which they must earn whatever they need through their own efforts, and where combines are accountable for their own actions. Increasingly, combines with accountability for their own actions also need local bodies as partners who are responsible for

what they do. It is entirely feasible to accomplish this within the framework of our existing legal regulations. The law concerning local representatives of the people offers much room for that. Our work with local agreements is a case in point. Within the framework of this law we must consider whether the self-accountability of local bodies is broad enough to make full use of their expertise, whether their material and financial means as well as their economic interests suffice to make full use of their greater special knowledge of this matter for the benefit of the economy.

Footnotes

1. This article is based on the author's report and includes some of the ideas put forward at the Council meeting.

2. Second Meeting of the SED Central Committee, 13 June 1986, "Unsere Innen- und Aussenpolitik dient dem Sozialismus und dem Frieden." [Our Domestic and Foreign Politics Serve Socialism and Peace]. Speech by Erich Honecker, secretary general of the SED Central Committee on the establishment of state organs. Dietz Publishing House, Berlin, 1986, p. 26.

3. See K. Hager, "Unser Weg und unser Ziel. Rede auf dem Schulraeteseminar am 28. Oktober 1988 in Ludwigsfelde," [Our Way and Our Goal. Speech to the School Director Seminar on 28 October 1988 in Ludwigsfelde], NEUES DEUTSCHLAND, 29/30 October 1988, pp. 9.

4. See W. Ostwald, "Die Territorialstruktur der gesellschaftlichen Reproduktion als Bedingung und Gegenstand der umfassenden Intensivierung," [The Territorial Structure of Social Reproduction as Condition and Subject for Comprehensive Intensification], WIRTSCHAFTSWISSENSCHAFT, Vol. 10, 1985, pp. 1448.

5. See H. Koziol, "Die DDR als entwickeltes sozialistisches Industrieland," [The GDR as Developed Socialist Industrial Nation], EINHEIT, Volume 11/12/1988, p. 1047.

6. See "STATISTISCHES JAHRBUCH DER DDR, 1981," [Statistical Yearbook of the GDR, 1981], Staatsverlag of the GDR, Berlin, 1981, p. 348.

7. Ibid, 1988, p. 360.

Lignite Gasification, Storage Procedures Detailed
23000185 East Berlin PRESSE INFORMATIONEN in German No 66, 9 Jun 89 p 6

[Unattributed article: "More Gas From Domestic Lignite"]

[Text] Twenty-five years ago, on 15 April 1964, city gas from the "Schwarze Pumpe" combine was first piped into our republic's supply grid. This marked the start of a new era in the GDR's energy industry. In June 1956, construction of a lignite processing plant was initiated in

accordance with a resolution of the party of the working class and the government. The project was based on the need to strengthen the GDR both politically and economically and to create a stable energy industry founded on domestic lignite. The gas industry was to be one of the major components. The start of production of pressure-gasified lignite briquettes at "Schwarze Pumpe" made it possible gradually to phase out the more than 200 obsolescent hard-coal-operated regional city gasworks. In time, the "Schwarze Pumpe" gasworks became the largest central city gas producer in the GDR. At this time, the combine produces four times as much gas on a day-to-day basis than all the gasworks and coking plants in the GDR did in 1955. No less than 3.5 million households presently get their city gas from "Schwarze Pumpe." The VEB "Fritz Selbmann" gas combine at Schwarze Pumpe produces 90 percent of all city gas, 100 percent of all coke, 45 percent of all lignite briquettes, 9 percent of all electric power and 95 percent of lignite liquid products in the GDR. The combine is a reliable partner of 12,000 industrial plants.

At the combine plants 200,000 tons of lignite are processed into gas, solid fuel, carbochemical liquid products and electrical energy daily. The gas combine includes a research institute as well as a planning and assembly plant for coal processing and gas pipelines. The combine operates three gas supply systems totaling more than 10,000 kilometers and seven underground gas reservoirs. The Fritz Selbmann combine is a modern lignite processing complex—in fact the only one of its kind in the world.

Currently, more than 7 billion cubic meters of city gas are produced by the combine each year. The aim is to obtain as much as gas from the raw lignite as possible, i.e. to make even more efficient use of the pressurized gasification process. As housing construction increasingly focuses on inner city areas, the need for environmentally friendly energy such as city gas is also on the rise.

Liquid derivatives of the pressure gasification and high-temperature coking processes are turned into low-sulphur fuel oil as well as aromatic and phenol-rich light oils and coal tar which figure as important raw materials for further processing by the chemical industry.

The major city gas suppliers, i.e. "Schwarze Pumpe" gasworks, the coking plants at Lauchhammer, Magdeburg and Zwickau and the Boehlen plant at the VEB Schwedt petrochemical combine, pipe their city gas into the GDR grid. This high-pressure pipeline system is more than 5,000 kilometers long. Large underground reservoirs have been integrated into the system. The gas piped into the reservoirs during the summer months is used during peak load times in the winter. This makes it possible for the production facilities and reservoirs to supply more than 45 million cubic meters of city gas daily during peak usage seasons.

Since lignite still is the main energy source in our republic, the demands on the efficiency and performance of the "Schwarze Pumpe" gasworks keep on rising. For a

number of years, research findings have been fed into the production process. Accordingly, pressurized gasification has developed into an internationally competitive process. By 1990, the rebuilt generators are expected to increase efficiency with the help of computer technology to about 140 percent. A great number of programs undertaken in the chain of operations have helped lower city gas production costs appreciably. This has been achieved thanks to the close collaboration between researchers, technicians and equipment operators. The introduction of additional science and technology programs is being prepared, e.g. the partial gasification of raw coal in place of briquettes which allows for the elimination of several steps in the processing sequence. At present, work is proceeding on an entirely new type of higher-performance generator and gas purification is undergoing a comprehensive intensification process.

Large-scale tests are being conducted on the pressurized gasification of lignite dust. This is a completely novel process developed in the GDR designed to utilize the saliferous coal reserves of the GDR which have thus far been impossible or difficult to process and turn them into synthetic or city gas. Even lignite containing salt and high levels of sulphur and ash can be gasified efficiently. Comparative tests with more than 30 types of coal from the USSR, the CSSR, Poland, Bulgaria, China, Australia, Spain and the FRG as well as the results obtained over several years at the production facility operating according to the new principle have proven the universal effectiveness of the process. The plant is capable of treating up to 30 tons of lignite an hour with oxygen and steam and transforming it into up to 55,000 cubic meters of synthetic gas. The gas contains 85 percent hydrogen and carbon monoxide and that, in turn, allows for further processing into methanol, fertilizer and motor fuel among other things. In all, more than 99 percent of the coal used is turned into gas. This is extremely economical for the user and protects the environment in addition. The process keeps pollutants from contaminating water, the atmosphere or the soil.

As the project coordinator for city gas production, the gas combine is taking part in the planning, delivery, assembly and commissioning of a city gasworks in the Harbin region of the PRC. VEB Chemical Plant Construction Combine Leipzig-Grimma is a partner in this project.

The gas industry of the GDR is highly respected throughout the world. There is a great deal of interest in technologies for the production of gas from lignite as well as in underground storage, transportation, distribution and use of this type of gas. In appreciation of this fact, Dr. Herbert Richter, the director general of VEB Gas Combine "Fritz Selbmann" Schwarze Pumpe, was elected president of the World Gas Union at the 17th World Gas Congress in Washington in June 1988 and members of the combine are currently serving as senior officers of this body. At the close of Richter's 3-year term in office, the 18th World Gas Congress will be held from 24 to 28 June 1991 in the capital of the GDR. Gas

industry experts from all over the world will take part and report on the newest developments and findings on that occasion.

HUNGARY

Medgyessy Laments Worsening Economic Situation

25000309 Budapest FIGYELO in Hungarian
8 Jun 89 p 7

[Interview with Deputy Prime Minister Peter Medgyessy, by Ivan Wiesel: "The Burden Must Also Be Carried by Future Governments"; date and place not given]

[Text] The government has revealed its package plan to relieve the economic tensions of 1989 thus far, and to establish favorable conditions of balance. We questioned Deputy Prime Minister Peter Medgyessy about the economic policy relations of these measures.

[FIGYELO] The contents of the package plan prove that in 1988 the government was too optimistic about the level of development that could be expected, and that this year's deterioration came as a surprise to the government. What is your view?

[Medgyessy] The fundamental problem is that economic performance has fallen behind anticipated levels, production has not increased, moreover it is declining, and as a result of declining income the state's situation is getting worse. I see two reasons behind this. First: The otherwise necessary and appropriately stringent monetary policy is not being matched by the failure of bad and weak enterprises. Perhaps this is so because ownership reform is yet to be accomplished. Until we resolve the fundamental issue—and in this regard the law on transformation adopted last week by parliament is of great help—we will be unable to make progress in the area of liquidations and in enforcing market conditions. Banks are not interested in initiating bankruptcy proceedings, instead they have an opposite interest. Lines have increased: Enterprises are able to achieve a certain level—they are able to vegetate—but they do not have sufficient resources to go beyond that, because bankruptcies and failures do not free a sufficient amount of material and other means. The other reason has a greater breadth than the first one, and is more acceptable and a necessary requirement for transformation: This is the temporary effect on production and on the dynamics of production of the changing market and of structural change. Last year the government began, and intends to continue this year, not to permit domestic purchasing power to expand if there is no performance. Accordingly, domestic demand for anything ranging from consumer goods to means of production will be reduced to a significant extent and will be at a realistic level. There has been no increase in domestic consumer demand, moreover, regarding certain items there has been a reduction of 20, 30 and 40 percentage points. Paralleling this, we also want to

slow down the building of a surplus in ruble-based mercantile trade, after all we are unable to obtain additional products needed for that surplus, and we cannot lend our national income abroad because this would be irresponsible to the nation. The consequence of all of this is that the only free path available to enterprises can be found increasingly in exports to capitalist countries. Some of the enterprises are already able to satisfy this change in course, and they do indeed take advantage of the opportunities offered by the international boom. Other enterprises have a very simple, often single-item production profile; they can easily change and adjust with conditions. I have in mind here enterprises which produce raw materials and products having the character of materials. Finally, there are enterprises unable to adjust overnight to the new situation because they have become used to a more comfortable domestic or socialist market, and their structure, work organization, management, marketing, and efficiency corresponds to the market they are used to. In these enterprises the discovery, awakening, preparation, and change needed to make the transition is also accompanied by reduced production. The way I see it, a low level of production and low income levels may be regarded fundamentally as consequences of these two factors, and it is for all these matters that the state's share of lower income is also very adverse. This fact itself is shown clearly in terms of budget figures: State revenues derived from enterprises were very low during the first four months.

[FIGYELO] Could these economic concerns not have been foreseen earlier, and could not the unfavorable trends have been halted earlier?

[Medgyessy] The effect I just described cannot be assessed accurately, because one cannot know accurately at what pace enterprises are able to react. There is an increasing number of enterprises experiencing a need to change. This holds true for a [wide range of economic sectors] ranging from light industry to the shoe industry to the machine industry. I am convinced that we must wait for the enterprises to react to the new situation. This government should not be permitted to repeat the greatest mistakes made by its predecessors: avoiding conflicts at any price, sweeping problems under the rug, impatience and the lack of perseverance. Measures will result in substantive future improvements, unpleasant side effects will become justifiable only if we have the strength to withstand pressures, while at the same time implementing rational corrections consistent with strategy. Another aspect of the tensions that have evolved is that although—as a result of stringent monetary policy—import liberalization has had no adverse effect on the trade balance for the time being, wages, the other important factor in liberalization, have shown irregularities, because of weak market performance and because of the need to solve already existing problems. Enterprises have taken advantage of wage liberalization, moreover, some have abused this opportunity. The market is not yet exercising sufficiently stringent control over enterprises, because it tolerates relatively well the greatly increased costs without improved efficiency. Despite this fact we are not willing to revert to the old methods. We

want to strengthen the market, and not to intervene administratively. Doubtless, a greater increase in wages will increase social security revenues as well as personal income taxes, nevertheless within the system that has evolved these figures have not improved the budgetary balance at all, or improved it only above a certain level. Accordingly, the cause of the troubles should not be sought in a liberalizing economic policy which is desirable, but in the absence of a market, which, on the other hand cannot be perceived without liberalization. At the same time the structure of income distribution is also disproportionate. This must be taken into consideration in the upcoming period in the context of budgetary reform.

In the course of developing the plan, the framework of the 1989 budget was extensively debated. The National Planning Office and the Ministry of Finance stressed the immeasurable risk presented by liberalization relative to both the domestic and the external balance, in contrast to the advantages of liberalization. In contrast, the Hungarian Economic Chamber and the various ministries [dealing with branches of industry] viewed the risk as negligible. The end result is a plan based on a set of conditions assuming a medium level of risk. But the risk has grown bigger than anticipated in the plan. Accordingly, I believe that the planning organizations also made mistakes, and furthermore, that subjective mistakes were incorporated into the 1989 plan.

[FIGYELO] Many blame the shopping tourism caused by the global passport for the deterioration of the balance of payments. Was this actually so significant a factor?

[Medgyessy] Indeed, the drastic deterioration of the foreign trade balance is a significant factor in today's critical situation. This can be traced back to a mistake made by government as well as to its weakness. It was clear already at the end of last year that a huge foreign-exchange buying spree was in progress. Obviously this is not the fault of the populace, and the government, although it tried, was unable to provide an appropriate domestic supply that could be obtained with Hungarian forints. The foreign shopping fever must not, and cannot be cooled off through administrative means. We must guarantee a supply of merchandise and price levels which at least make people consider whether it is worth traveling abroad just to do their shopping. Coordinated consumer imports, and price, tax, and customs policies are needed in order to bring about a future situation in which everyone can satisfy his needs, paid for in the national currency he has earned.

[FIGYELO] Let us revert now to the idea of liberalization. Does the government intend to make changes on the basis of experience gained during the period thus far? Will it continue to assume the risk?

[Medgyessy] The government must assume the risk. If it does not, it will no longer be my government. If we start out in the right direction, we must not execute another about-face the moment we find new tensions.

[FIGYELO] It follows from what was said before that the various projected leading economic indicators—price increases, i.e. the rate of inflation—will show year-end results different from what was forecast. What is your opinion?

[Medgyessy] Inflation is higher than what we counted on. Earlier the government stated that this year's inflation must not be higher than last year's inflation rate. Subsequently, however, we estimated an 12- to 15-percent inflation rate. We will not be able to hold this level. Throughout the year we have taken some governmental steps which increased price levels, even though we chose not to implement measures included in the plan. Taken together, today we envision a price increase of 15-16 percent.

[FIGYELO] These days we are finding inflation in plans—it is hard to find our way among the various perceptions. What is the relationship between the present package plan and the government's 3-year program?

[Medgyessy] I consider three matters as important. First: by all means we must prevent economic bankruptcy. In this sense then, the 3-year program and the present package plan are closely related. Second: The method by which the economic situation is improved does not have a political character. Regardless of who holds the reins of government, economically and professionally appropriate solutions must be found for these problems. The only possible path can be full market development. There appears to be full agreement in this regard between most alternative groups and the government's economic policy perceptions. Our decisions have not been determined by political considerations and particularly not by short-term demagogery. In the end, any future government of this country will be burdened by the same set of problems as the present government.

[FIGYELO] The package plan projects 2 billion Hungarian forints to stimulate enterprising. This amount is ridiculously low, compared to the annual amount of more than 200 billion Hungarian forints total investment value, taking into consideration the sluggish progress made in reorganizing failed enterprises.

[Medgyessy] Doubtless, in and of itself this amount is small. Despite this fact, however, if we are able to concentrate this amount on reviving small and medium-sized enterprises, searching for new markets, and introducing new products, then, together with a coordinated monetary policy this amount can produce an effect that is not negligible. The achievement of this effect must be made the central task not only this year, but even more so in the upcoming years.

[FIGYELO] People are saying that there is financial dictatorship in this country. In his interview granted to FIGYELO Finance Minister Laszlo Bekesi rejects this idea by saying that there is no Finance Ministry dictatorship, but instead we are forced to pursue an economic policy of fiscal stringency. At the same time, the government's

3-year program includes the idea of an economic environment friendly to development. How do these two things match?

[Medgyessy] I have been removed from the financial apparatus and from financial matters both in time and space. For this reason perhaps it would not be totally unfounded, and one could not claim that this is a subjective view if I say that this economy could not stand on its feet without the dictatorship of money. This, however, is not the same as dictatorship by the financial apparatus! To the contrary: It means the opposite, because the dictatorship of the financial apparatus means that money is not reigning, because money does not tolerate any other power. At the same time, this same financial apparatus itself is working sincerely to bring about a market economy, where selection takes place on the basis of supply and demand, meaning that it is not up to the apparatus to say what it should be doing. This is the duality of, and at the same time the contradiction in this matter. As an economist and as a politician I have no choice but to identify with the idea that what we need is a market economy, and flowing from that the commanding and integrating role played by money.

[FIGYELO] Finally, permit me to ask a personal question. In 1988 you deemed the power plant program to be mistaken. On 19 February 1989 you signed a document jointly with the Czechoslovakian side to accelerate the Bos-Nagymaros investment. And now it was you who announced the suspension of construction. What is your standpoint regarding this delicate issue?

[Medgyessy] Among Hungarian politicians I was indeed first to say that this is an obviously bad investment. If, as a result of constraints, it must be completed, we should do so in order to minimize losses. Today, as a result of social initiatives one can see more accurately an increasing number of relationships. The government cannot pass by these discoveries, instead it must examine them thoroughly. Equally, the government cannot call for a national referendum on this issue without clearly informing the public of the consequences, thus shifting the responsibility upon the people and placing them into a constrained situation when they must decide without knowing what the real consequence of their decision is. Namely, it is a basic condition of popular referendums that the consequences of all kinds of yes and no answers be made clear. This is why we are utilizing both Hungarian and foreign impartial experts, and presenting their views to the broadest public opinion. The government decision to suspend work reflects this responsibility, and this is why I was firmly supportive of the idea, that Parliament, or if necessary a popular referendum, render an appropriate decision only if the consequences of everything are presented.

Insofar as my signature and my announcement are concerned: I acted on behalf of the government. I have expressed my own views on this matter at meetings of

the government, and I have very clearly explained them at the school year 1988 opening session at the University of Economics.

Old Italian Insurance Firm Returns

25000341b Budapest HETI VILAGGAZDASAG in Hungarian 3 Jun 89 p 9

[Text] It was announced last week that under the name "AB-Generali Budapest" a new insurance company is being established with an initial capital of 1 billion Hungarian forints. Sixty percent of the initial capital is being provided by the State Insurance Company (AB), while the Italian Generali insurance group and the Austrian affiliate of Generali, Erste Allgemeine insurance company, are contributing 20 percent each. As we learned at the AB, the new company will serve as the insurer of entrepreneurs and enterprises, and is expected to begin operations on 1 September. (The starting date is uncertain because the government's approval is required for the operation of a company having foreign interest.) Generali was established in 1831 in Trieste. It established its first "chief agency" in Budapest in 1832. That agency became known in Hungary as the Trieste General Insurance Association (Assicurazioni Generali). The first decades of Hungarian insurance activities are tied to those of Generali: For example Generali was first to introduce life insurance to Hungary in 1834.

POLAND

Soviet Official on Continued Trade, Economic Cooperation

26000565 Warsaw RYINKI ZAGRANICZNE (CEMA advertising insert) in Polish No 66, 3 Jun 89, p 1

[Article by G. Shchukin, Soviet trade representative in Poland: "Soviet-Polish Economic Cooperation on the Crossroads of Reconstruction"]

[Text] The history of trade and economic cooperation between the Soviet Union and Poland goes back more than 40 years. From today's perspective we are able to note many difficulties and mistakes in this cooperation, but it is an indisputable fact that during this entire period it was very important to both countries. The Soviet Union, due to its enormous economic potential, remains Poland's chief foreign-trade partner. For its part, Poland occupies second place among the Soviet Union's trade partners. At the present time, Poland is responsible for over 9 percent of Soviet foreign turn-overs, for a total of 13.5 billion rubles.

Soviet deliveries are of vital importance not only for the normal functioning of the Polish economy, meeting 70 to 100 percent of its import requirements in the area of basic raw materials, but they also play an important role in the everyday life of the people. Indeed, Soviet deliveries consist not only of fuel and raw materials for Polish industry, but of gasoline for every Polish automobile and

gas for Polish homes. Without Soviet cotton Polish industry could not produce textiles and ready-to-wear products. Furthermore, it would be difficult to find a Polish family which does not have a Soviet television set or radio, washing machine or refrigerator, camera or watch.

On the other hand, Polish deliveries to the Soviet Union are also of great importance to a number of branches of our economy. They include not just coal, road-building machines, loaders, seagoing vessels, equipment for the production of sulfuric acid, and foodstuffs. There are on the Soviet market also such consumer articles from Poland as shoes, ready-to-wear clothing, haberdashery goods, vegetables, potatoes and even beautiful flowers.

The present stage of Soviet-Polish economic cooperation is a stage of comprehensive reconstruction, a transition to a qualitatively new level of economic relations. What has been done in this respect? How is the new potential of cooperation being utilized under conditions in which the principles of self-dependence and self-financing in enterprises are being applied—albeit with great pain, when enterprises are being granted broad powers to freely enter foreign markets?

It can be said that the first steps in this direction have already been taken and the first encouraging results have already been achieved. Maybe they did not fulfill all of our expectations and did not always proceed as quickly as we would have liked. The number of pairs of Polish and Soviet enterprises which have established direct production contacts is already close to 450, although not all of them are yet producing any economic results. In 1988, commodity turnovers within the framework of this form of cooperation amounted to 90 million rubles. Some examples of the development of direct contacts favorable to both sides are particularly worth mentioning. For example, cooperation between the Minsk Motorcycle and Bicycle Factory and the Predom-Romet plants in Bydgoszcz improved the work efficiency of both enterprises and helped the latter enterprise organize the production of its own motorcycles in Poland.

Coproduction contacts between Soviet and Polish enterprises in the aircraft industry have a long history and are continuing to develop successfully. Il-86 airplanes are being coproduced in the WSK [Transportation Equipment Plants] Polish Aviation Plants in Mielec, and a joint model of the B-3 helicopter is being developed and produced in the Polish Aviation Plants in Swidnik. The formation, in 1988, of a joint design group, whose members are representatives of the O. Antonov office in Kiev and the aircraft design office in Mielec, represents a qualitatively new stage of cooperation. This group has the task of developing a new version of the An-28 airplane for joint production. It should also be added that long-term coproduction in another field—the construction of cranes, is also continuing well. At the same time, it should be said that all in all, the share of coproduction products in Soviet-Polish foreign trade remains very low, approximately 4 percent. This is an

amount much lower than the indicator obtained in the USSR's trade with many other CEMA countries.

A new form of cooperation between our countries has been developing very rapidly of late: border exchange and exchange of goods between department stores and other domestic trade centers. In 1988, these turnovers totaled 450 million rubles. Naturally, this is not much in comparison with the 13 billion of total commodity turnovers between our countries, but what is important here is a solution to the very important task of getting more, in terms of quantity and variety, consumer goods on the domestic market.

During the last few months important changes have taken place in the creation of joint enterprises. To date, nine Soviet-Polish enterprises have already been formed on both Soviet and Polish soil. Some of them are already producing (Miraculum household chemical products and cosmetic plants in Krakow, Orbita printing and publishing plants). The Soviet-Polish intergovernmental and interbank agreements on the use of domestic currencies in the settlement of mutual accounts, signed in winter this year, will help in the development of joint enterprises and other new forms of cooperation.

It should be underscored that many other unsolved financial, economical, legal, and organizational problems stand in the way of further effective development of new, progressive forms of Soviet-Polish cooperation. For a long time, the question of agreeing on prices of mutually supplied products has been one of the greatest difficulties. On the one hand, this has to do with the rapid growth of wholesale prices, with inflation in the Polish economy, and with the structure of prices in our country, which differs from the structure of world prices. On the other hand, the mechanism of price-fixing which now functions within the CEMA is already outdated, does not correspond to today's requirements and is not able to neutralize the difficulties mentioned. Immediate settlement of matters relating to the failure to agree upon currency exchange rates in our countries is required. Because the transferable ruble badly fulfills its function as a currency and it is not possible to eliminate its shortcomings, it should be replaced with something else.

This list of unsettled problems can be expanded, e.g., the large differences in the norms and standards in effect in our country. However, it is important that there be a desire on both sides to overcome the difficulties which appear. The working visit of Wojciech Jaruzelski in the Soviet Union is an excellent example of this. During his meeting on 28 April 1989 with Mikhail Gorbachev, a mutual interest in improving economic contacts was emphasized. It was also stated that changes in the systems of functioning of the national economy of Poland and the Soviet Union require a new assessment of ways of solving crucial problems of cooperation. It was decided that a Polish-Soviet task force would be appointed to develop a comprehensive model based on

strong economic foundations and cost-accounting principles, with consideration to the prospects of creating a combined socialist market.

An indispensable condition for the successful development of new forms of cooperation is the ability of enterprises to seek partners, to establish mutually beneficial contacts. The already traditional participation of the USSR in the 61st International Trade Fairs in Poznan should help to solve this important task. The Soviet exhibit at the fairs reflects the great transformations which have taken place in the Soviet Union's foreign economic activities. Not only do the associations of the USSR Foreign Trade Economic Contacts Ministries take part in them, but also the branch ministries, the foreign-trade associations and enterprises, the foreign trade associations of the republics—Estimpex, Rosvneshtorg, and also Moscow—Mosinter. They submit their export offer in the area of commodities and also their desire to establish direct production and scientific-technical contacts. We believe that many of these proposals will be of interest to our Polish partners and their practical implementation will be a contribution to the rebuilding of Soviet-Polish economic contacts.

Changes, Growth in Czech Trade Examined
26000566a Warsaw RYNKI ZAGRANICZNE (CEMA
advertising insert) in Polish No 66, 3 June 89 p III

[Text] Mutual contacts and commodity exchange with Poland are regarded in Czechoslovakia as cooperation which is rich in traditions and achievements, without which neither of the partners could implement the development of the national economy as planned. This is shown by the steady growth of trade turnovers, development of scientific and technical cooperation, and joint achievements in many other fields.

Poland, which occupies second place in CEMA in terms of economic, raw-material, and human potential, was, during past decades, always an object of Czechoslovakia's interest from the standpoint of cooperation in all branches of the economy. Czechoslovakia assisted in the postwar reconstruction of Poland's industry by supplying machines and complete investment facilities, such as power plants, textile factory installations, and equipment for the heavy and mining industries. Favorable bilateral credit agreements were signed for delivery to Poland of equipment to extract and process such raw materials as coal, sulfur and copper, in return for deliveries of processed raw materials to the CSSR.

Along with the development of Polish industry, the possibilities of mutual deliveries began to grow and the foreign trade of both countries entered an era of dynamic development. While during 1971-75 both countries achieved mutual turnovers amounting to 4.1 billion rubles, during 1976-80 over 7 billion rubles had already been obtained, which constitutes a 72-percent growth. The following years brought further growth in turnovers. The plan for 1986-90 envisages that the amount of mutual commodity exchange will reach 16 billion rubles.

The structure of mutual deliveries gradually changed. As the Polish economy became more and more industrialized, the share of deliveries of machines and equipment increased. In 1986 the share of Czechoslovak imports of machines and equipment in total imports was approximately 50 percent and the export of these commodities constituted 66 percent of total exports. Beginning in 1983 the value of mutual deliveries began to be equal and in 1988 they already made up 75 percent of the total value of deliveries from both sides.

In recent years, construction investments conducted by Polish enterprises in Czechoslovakia began to play an important role in Polish exports. The largest of these was the construction of the Prunzow II "turnkey" power plant, which was started up in 1982 with a 1050 MW capacity rating. Of the other investments one might name, e.g., the cooling plants built in Brno, Opava and Tabor, the sulfuric acid factories in Przerow na Nera-towice, and the sewage treatment plant in Dusel Sala. Polish builders, in large measure, contributed to the opening up of a waterway on the Laba and Weltawa, a port in Lovosice, a highway in the Karkonosze Mountains, meat plants in Prague, grain silos, etc. Recently, Polish specialists took part in the construction of atomic power plants in Jaslovskie Bohunice and Dukovane.

In addition to the construction jobs in Czechoslovakia, many Polish workers, recruited on the borders, are working in the border regions. The adjoining locations have for a long time contributed to broadly expanded cooperation in the field of transport. A large part of Czechoslovak commodities shipped by sea are transported through Poland to ports in Szczecin, Gdansk and Gdynia. Some of the cargoes are transported farther by the Polish fleet. In turn, Poland takes advantage of Czechoslovak transit in transporting goods to southern Europe.

A long-term agreement on mutual deliveries of commodities and payment terms for the years 1986-90 defines the range and main directions of exchange, ensuring mutual deliveries of basic raw materials, i.e., Polish coal, sulfur and copper, and Czechoslovak porcelain clay, magnesite, metallurgical products, basic chemicals, float glass, rubber products, newsprint, cellulose, etc. It is possible that mutual deliveries of foodstuff will increase, e.g., in the form of commodity exchange between the domestic trade industries or cooperatives of both countries.

One example of economic cooperation is the granting, by Czechoslovakia, of credits, totaling 187 million rubles, to maintain the extraction of sulfur in Poland in return for the delivery of this raw material. Another example may be the granting of credits for Polish production of light bulbs, in the sum of 10 million rubles and \$8 million. Cooperation in the production and delivery of heavy trucks is also underway.

In terms of size, Poland is Czechoslovakia's second trading partner, with about 10 percent of total trade

turnovers. Czechoslovakia is also in second place among Poland's largest partners, with about 7 percent of the total turnovers.

In 1988 an agreement was signed with Poland on the transfer of rubles from a bank account between Czechoslovakia, Poland and the USSR, by using Czechoslovak aktivs in the USSR for the purchase of construction-assembly jobs and farm products in Poland for a sum of 85 million rubles.

A protocol on a commodity exchange and payments terms for 1989 provided for an exchange of services between Czechoslovakia and Poland in the sum of 3,570 million rubles, which means a growth of 16.4 percent over the preceding year (38 percent as compared with the long-term agreement). The share of deliveries involving specialization and coproduction was 22.4 percent. The highest growth tendencies appear in the exchange of machines and equipment (in Czechoslovak imports, including construction and assembly jobs). The result is an approximately 80 percent growth in the share of machines and equipment in turnovers, as compared with 75 percent in the preceding period (in Czechoslovak imports, construction and assembly jobs are added to this item).

The greatest increase is in the export of lathes, machines and equipment for the textile industry, construction and road-building machines, low-voltage electrical products, farm machines including Zetor tractors, LIAZ trucks of various types, and spare parts for trucks. In the import of machines and equipment there was a growth in the share of construction investments for the power industry, metallurgical equipment, hoisting and transport equipment, cooling plants, sugar factories and other installations for the food industry, chemical facilities, wastewater treatment plants, construction and road-building machines, low-voltage electrical products, computer equipment and industrial automation equipment.

Mutual exchange of other commodities will grow 2 percent. Czechoslovakia will import hard stoking coal (1.5 million tons), sulfur (485,000 tons) and copper products and semifinished products (20,000 tons). Poland, in turn, will receive rubber products, synthetic fibers, porcelain clay, magnesite, metallurgical products, float glass, cellulose, and newsprint. Commodity exchange between cooperatives of both countries will greatly increase. Deliveries of food items will remain unchanged.

It is obvious that the economic cooperation of both countries is of the size that the present economic conditions of both countries dictate. Further efforts should be made to do what is still possible, especially in the area of direct contacts, coproduction and specialization.

The main object of trade exchange in the future will be investment goods. But if the necessary growth trend in exchange is to be obtained, there must be further development in specialization and coproduction. This area of cooperation has been somewhat neglected in the present 5-year period—for various reasons, mainly economic. It is essential that the production sectors of both countries

work more intensively on this problem. Only such a division of labor will make it possible to satisfy the needs of the national economies of our states.

Slowdown Observed in Bulgarian Economic Ventures

26000566b Warsaw RYNEK ZAGRANICZNE in Polish
No 68, 8 Jun 89 p 1

[Unattributed article: "Before a New Phase of Cooperation Begins"]

[Text] Much points to the fact that the talks now being held in Warsaw by the premier of the Bulgarian People's Republic are contributing, in an important way, to the development of mutual relations. The political content of talks on a high intergovernmental level will be determined, in large measure, by the news and by the assessment of the situation after the conclusion, several days ago, of the first round of elections to the Sejm and the Senate. The basic changes in models, including those dealing with foreign trade, made in both countries, will affect the economic aspects of cooperation. This will require the necessary adjustments in the mechanism of mutual cooperation. The nearing of the end of the 5-year plan and the preparations for coordination of plans for the next 5-year plan indicate that agreements at the intergovernmental level will be current.

It is difficult to make an unequivocal assessment of the present state of economic relations. Economic strains, particularly in Poland, did not slow down mutual trade, nor did they lower the standing of both partners. The past development of Polish-Bulgarian commodity turnovers permits us to expect that the assumptions of the trade agreement for 1986-90, which provided for an exchange on the order of 4.4 billion rubles, will be exceeded by 20 percent. Thus, the next 5 years will begin from a high level.

The favorable development of trade this year indicates that the targets of the long-term agreement may be exceeded. Turnovers of 842 million rubles were anticipated in the annual protocol, however the favorable state of the contracts between the government and farmers for the supply of agricultural products makes us believe that these turnovers will approach the record level of 2 years ago, i.e., over 1 billion rubles. The good trade figures obtained at the Ninth Spring International Fairs in Plowdiw also speak in favor of this.

The maintenance of a high rate of trade exchange, despite the supply problems affecting both countries—although to a differing degree—shows that economic ties are strong and the economies complement each other. Approximately 70 percent of Poland's exports and 60 percent of the imports are supplied by the machines industry. Mutual deliveries of market goods are also desirable for both countries. They constitute about one-fourth of our export and one-third of the import.

The relatively favorable development of foreign trade does not mean that there are no difficulties or problems. Both sides agree that the present extensive reserves in trade exchange are being exhausted and that the implementation of new forms of economic and scientific-technical cooperation is proceeding too slowly. There is too little coproduction, scientific-technical cooperation is limping along, thus

far only one joint enterprise has been started up, and direct production contacts between enterprises are frequently of little practical value. The solutions to the many problems which are slowing down mutual cooperation lie outside of the framework of the bilateral agreements. Nevertheless, decisions at the top level of both countries may help to eliminate many obstacles.

END OF

FICHE

DATE FILMED

16 Aug 1989